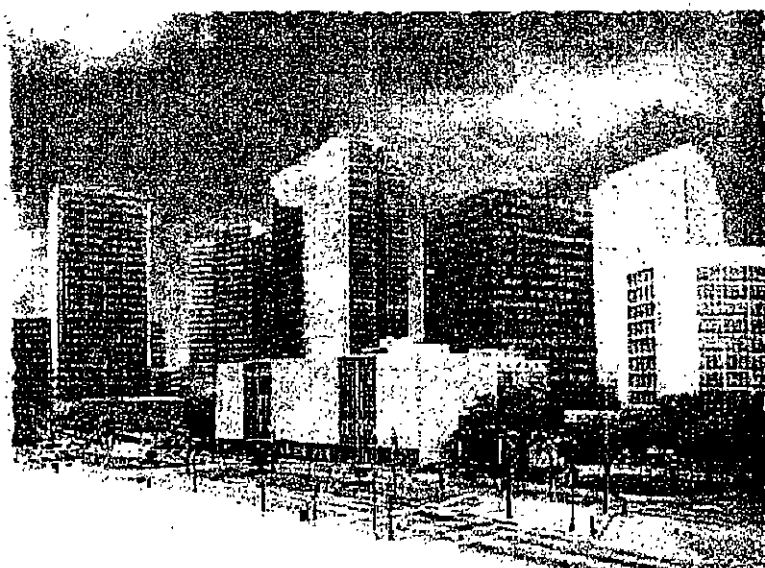


COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEARS ENDED

DECEMBER 31, 2008 & DECEMBER 31, 2007



JUDICIAL EXPENSE FUND
CIVIL DISTRICT COURT
PARISH OF ORLEANS
STATE OF LOUISIANA

PREPARED BY ANNE W. CASTJOHN, CPA
CHIEF FINANCIAL OFFICER

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date:

9/14/09

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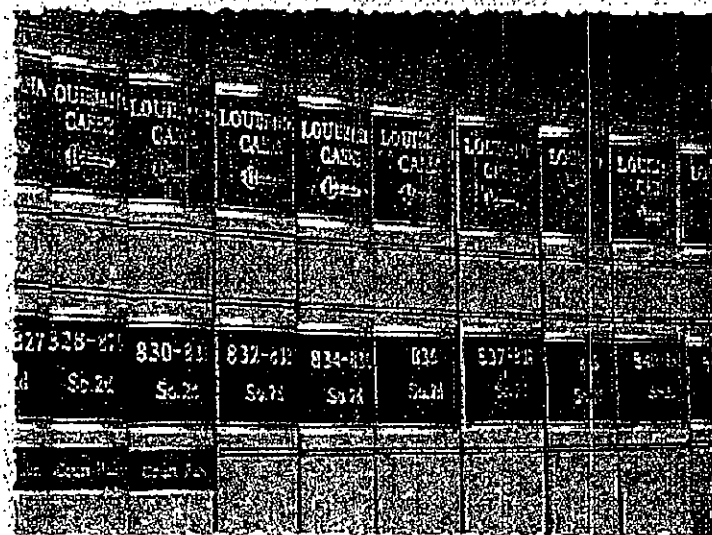
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INTRODUCTORY SECTION



JUDICIAL EXPENSE FUND

Judicial Expense Fund

320 Civil Courts Building

421 Poyola Ave.

New Orleans, La. 70112

(504) 592-9275

Fax (504) 592-9279

June 12, 2009

To: Chief Judge Lloyd J. Medley, Jr.
The Judges *En Banc* of the Judicial Expense Fund
The Supreme Court of the State of Louisiana
Citizens of the Parish of Orleans and the State of Louisiana

It is my privilege to present the Comprehensive Annual Financial Report (CAFR) on the financial condition of the Judicial Expense Fund for the Civil District Court for the Parish of Orleans, also including First and Second City Courts, Recorder of Mortgages, and Register of Conveyances for the City of New Orleans (the Judicial Expense Fund), for the fiscal years ended December 31, 2007 and 2008. The report was prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), and is submitted in accordance with Louisiana Revised Statutes, Title 24, section 514.

The Judges *En Banc* of the Judicial Expense Fund are responsible for the accuracy, completeness and fair presentation of the data, representations, and disclosures presented in the CAFR. To the best of my knowledge and belief, the data presented are accurate in all material respects, reported in a manner designed to fairly present the financial position and results of operations, and provide disclosures necessary to enable the reader to gain an understanding of the financial activities and condition of the Judicial Expense Fund.

The CAFR is comprised of the following three sections:

- * The Introductory section, contains background and organizational information and summarizes current initiatives;
- * The Financial section, includes the independent auditor's report, Management's Discussion and Analysis, government-wide financial statements, fund financial statements, and notes to the financial statements; and
- * The Statistical section presents historical financial data.

GASB Statement Number 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This letter of transmittal is intended to complement Management's Discussion and Analysis, which begins on page 11 immediately following the independent auditor's report, and should be read in conjunction with it.

Independent Audit

These financial statements have been audited by the firm of Bruno and Tervalon LLP, Certified Public Accountants, located in New Orleans, Louisiana. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Judicial Expense Fund for the fiscal years ended December 31, 2007 and 2008 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. . For the years ended December 31, 2007 and 2008, the independent auditor was unable to obtain the audited Financial Statements for Funds on Deposit for the Clerk of Civil District Court. Therefore his report was qualified with respect to those funds and no opinion was expressed upon them. With the exception of the Funds on Deposit for the Clerk of Civil District Court, the financial statements of the Judicial Expense Fund for the year ended December 31, 2007 and 2008 are fairly presented in accordance with GAAP. The independent auditor's report is the first component of the financial section of this report.

Accounting Control

Management is responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft, or misuse and that adequate accounting data are compiled to provide for the preparation of financial statements in conformity with GAAP. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgements by management. All internal control evaluations occur within this framework. We believe that the internal accounting controls of the Judicial Expense Fund adequately safeguard assets and provide reasonable assurance of proper recording and reporting of financial transactions.

Profile of the Judicial Expense Fund

The Louisiana State Constitution of 1879 created the Judicial Expense Fund, which includes a district court (Orleans Parish Civil District Court); two city courts (First City Court and Second City Court of New Orleans); and two city offices (the Recorder of Mortgages and the Register of Conveyances of New Orleans). Act 621 of the Louisiana Legislature was Signed by the governor on June 23, 2006. As a result of this legislation the composition of the fund will change. Effective January 1, 2009, the Recorder of Mortgages and the Register of Conveyances will become divisions of the Clerk of Civil District Court's Operations and will no longer be part of

the Judicial Expense Fund. Management's Discussion and Analysis includes a description of the financial reporting entity, and Note 1 explains the significant accounting policies.

The Judicial Expense Fund has only one fund, a General Fund. Revenues are comprised primarily of filing fees paid by attorneys and litigants. The Judicial Expense Fund is completely self-funded and does not receive tax revenue of any type. At December 31, 2007 and 2008 the Judicial Expense Fund did not have any debt, and all of the Fund Balance is unreserved.

As the Organizational Chart on page 6 shows, the fourteen judges of Civil District Court, the three judges of First City Court, and the judge of Second City Court form the *Judges En Banc*, which is charged with managing the Judicial Expense Fund in accordance with Louisiana Revised Statutes, Title 13, Section 1312. The names of these principal officials can be found on page 5 following this letter. All eighteen judges are elected for six-year terms. Judge Yada Magee, Div F retired effective December 31, 2008. She will be replaced effective January 1, 2009 by Judge Christopher Bruno. His term and the terms of the 13 other judges of Civil District Court expire on December 31, 2014; the terms of the three First City Court judges expire on December 31, 2010; and the term of the Second City Court judge expires on December 31, 2014.

The *Judges En Banc* at a public meeting on December 4, 2007, adopted a budget for the fiscal year ending December 31, 2008. At a public meeting on December 2, 2008 the *Judges En Banc* amended the previously adopted budget for the fiscal year ended December 31, 2008 and adopted a budget for fiscal year ended December 31, 2009. In accordance with Louisiana Revised Statutes, Title 39, section 1305 the budget is prepared by function and character. Management's Discussion and Analysis compares the budget with actual results and discusses the reasons for the major variances. The budget-to-actual financial statement appears on page 81 as part of the basic financial statements.

Factors Affecting Financial Condition

On August 29, 2005, the City of New Orleans was devastated by Hurricane Katrina. Operations of the Judicial Expense Fund The population of New Orleans is less than it was prior to the storm, however the level of legal cases and real estate filings has returned to near pre-storm levels.

One major impact of Act 621 is the creation of the Clerk's Salary Fund which is funded by 60% of filing fees collected by the Clerk of Civil District Court. This has significantly increased the expenditures of the Judicial Expense Fund.

Capital Improvement Projects

The Judicial Expense Fund has completed its capital improvement project to convert from the obsolete mainframe computer. There are no other capital improvement projects in progress.

Investments

Currently, idle funds are invested only in two money market accounts. Note 2 describes the risks associated with these invested funds.

Risk Management

The Judges *En Banc* manage the Judicial Expense Fund's risks by purchasing commercial insurance policies, including coverage for general liability, property, crime, errors and omissions, professional liability, and workers compensation. Please see Note 9 for information on when liabilities are recorded in the financial statements.

Pensions

As is described in detail in Note 3, employees of the Judicial Expense Fund participate in one of four multiple-employer defined benefit retirement plans, depending on the employee's job. The Judicial Expense Fund does not guarantee the benefits issued by any of these four pension plans. The employer contribution rates for all four pensions increased in 2008. Note 3 contains additional pension information, including employer and employee contribution rates for 2008 and 2007.

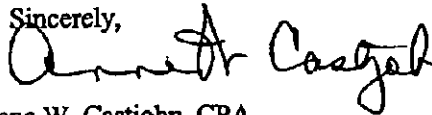
Postemployment Benefits

In June, 2004 the GASB issued Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Judicial Expense Fund implemented this Statement in 2004, four years earlier than the required implementation date. Note 11 provides greater detail about postemployment benefits and the actuary's report.

Acknowledgments

I express my appreciation to Traci Dias, Judicial Administrator, the Judges *En Banc*, Parochial Officials and their respective staff members for their support in preparing this CAFR. I would also like to thank the staff of the Judicial Expense Fund for their hard work and contributions.

Sincerely,



Anne W. Castjohn, CPA
Chief Accountant

**JUDICIAL EXPENSE FUND
FOR THE CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS**

PRINCIPAL OFFICIALS

2008 JUDGES *EN BANC*

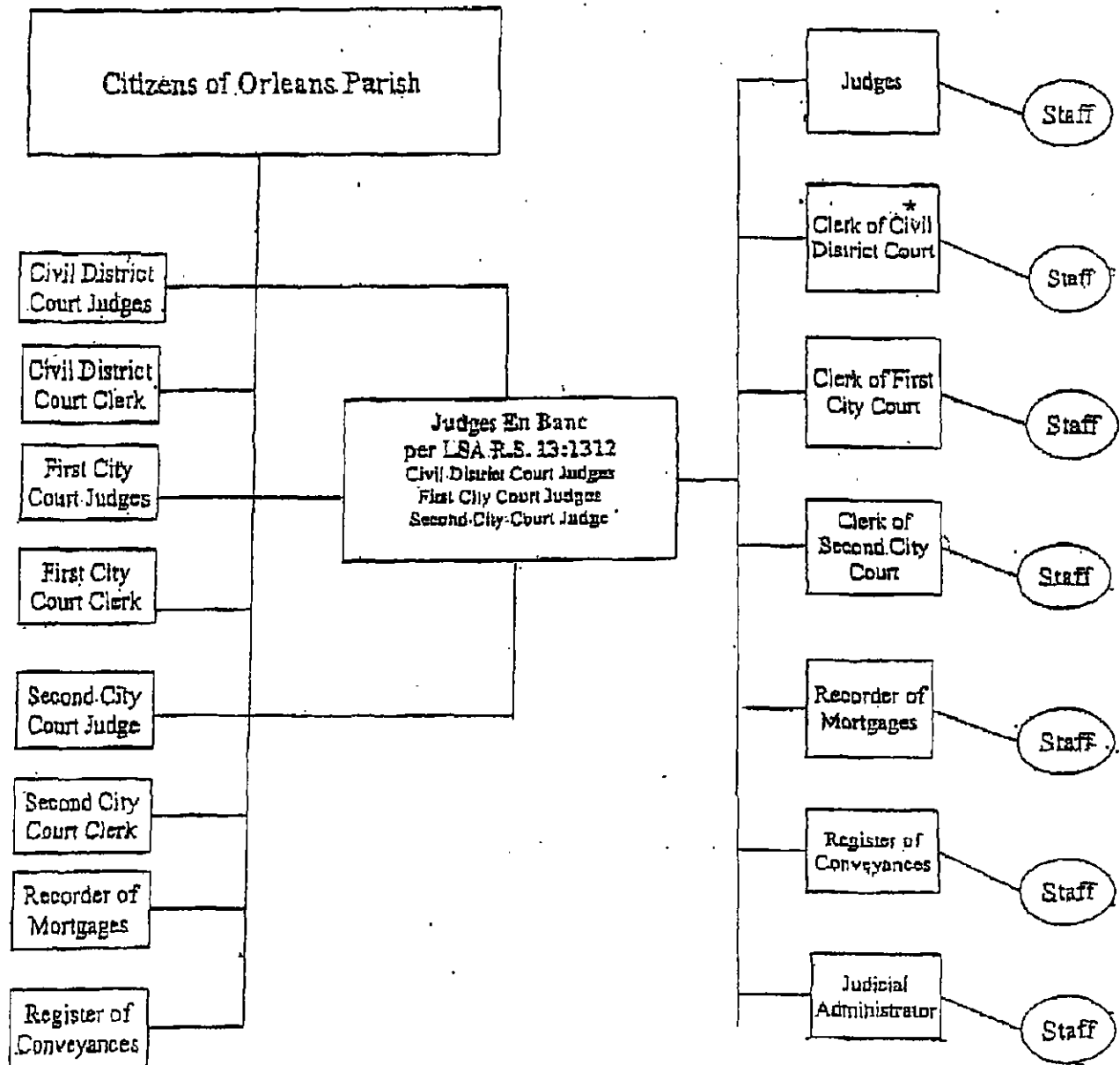
<u>Judge's Name</u>	<u>Court</u>	<u>Division</u>
Tiffany Chase	Civil District Court	A
Rosemary Ledet	Civil District Court	B
Sidney H. Cates, IV	Civil District Court	C
Lloyd J. Medley, Jr.	Civil District Court	D
Madeleine M. Landrieu	Civil District Court	E
Yada T. Magee	Civil District Court	F
Robin M. Giarrusso	Civil District Court	G
Michael G. Bagneris	Civil District Court	H
Piper D. Griffin	Civil District Court	I
Nadine M. Ramsey	Civil District Court	J
Herbert A. Cade	Civil District Court	K
Kern A. Reese	Civil District Court	L
Paulette R. Irons	Civil District Court	M
Ethel Simms Julien	Civil District Court	N
<u>Section</u>		
Charles A. Imbornone	First City Court	A
Angelique A. Reed	First City Court	B
Sonja M. Spears	First City Court	C
Mary "KK" Norman	Second City Court	

2008 PAROCHIAL OFFICIALS

<u>Name</u>	<u>Office</u>
Dale N. Atkins	Clerk of Civil District Court
Ellen M. Hazeur	Clerk of First City Court
Martin L. Broussard, Jr.	Clerk of Second City Court
Carol Carter	Recorder of Mortgages
Gasper J. Schiro	Register of Conveyances

JUDICIAL EXPENSE FUND FOR THE CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS

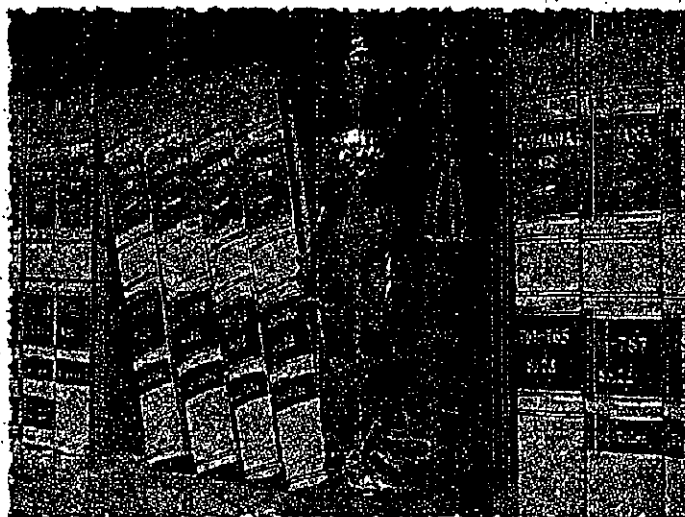
Organizational Chart



*Per Act 621

The Clerk of Civil District Court has separated her operations from the Judicial Expense Fund, effective August 1, 2007.

FINANCIAL SECTION



JUDICIAL EXPENSE FUND



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

INDEPENDENT AUDITORS' REPORT

The Honorable Judges of the
**Judicial Expense Fund for the
Civil District Court for the Parish of Orleans
also including First and Second City Courts,
Recorder of Mortgages and Register of Conveyances
for the City of New Orleans**
New Orleans, Louisiana

We have audited the accompanying financial statements of the governmental activities and fund financial statements as listed in the Table of Contents of the **Judicial Expense Fund for the Civil District Court for the Parish of Orleans also including the First and Second City Courts, Recorder of Mortgages and Register of Conveyances for the City of New Orleans** (hereinafter collectively referred to as **the Judicial Expense Fund**) as of and for the years ended December 31, 2008, and 2007. The governmental activities and fund financial statements are the responsibility of **the Judicial Expense Fund's** management. Our responsibility is to express an opinion on the governmental activities and fund financial statements based on our audits.

We did not audit the financial statements of the Clerk of Civil District Court for the Parish of Orleans for 2008 and 2007, Clerk of the First and Second City Courts of the City of New Orleans, for 2008 and 2007 whose fiscal operations pursuant to LSA-R.S. 13.1312, are managed by **the Judicial Expense Fund** and the Clerk, Civil District Court for the Parish of Orleans - Salary Fund. Those statements for the Clerks of the First and Second City Courts reflect total assets of \$429,974 and \$422,482 and revenues of \$327,226 and \$252,526 as of and for the year ended December 31, 2008 and 2007, respectively.

Total assets for the Clerk of Civil District Court for the Parish of Orleans for 2008 and 2007 were \$61,322,973 and \$22,031,302. Revenues were \$484,532 and \$1,125,940 for the years then ended December 31, 2008 and 2007.

Furthermore, the total assets for the Clerk, Civil District Court for the Parish of Orleans-Salary Fund for 2008 and 2007 were \$3,931, 865 and \$2,014,617. Revenues for the years then ended June 30, 2008 and 2007 were \$5,050,976 and \$4,746,054, respectively.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

The Honorable Judges of the
Judicial Expense Fund for the
Civil District Court for the Parish of Orleans
also including **First and Second City Courts,**
Recorder of Mortgages and Register of Conveyances
for the City of New Orleans
New Orleans, Louisiana

These statements were audited by other auditors whose reports have been furnished to us, our opinion, insofar as it relates to the amounts included for Clerk of Civil District Court for the Parish of Orleans, Clerks of First and Second City Courts of the City of New Orleans, the Clerk, Civil District Court for the Parish of Orleans - Salary Fund is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the governmental activities and fund financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **the Judicial Expense Fund's** internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the governmental activities and fund financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall governmental activities and fund financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the governmental activities and fund financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of **the Judicial Expense Fund** as of December 31, 2008, and 2007 and the changes in financial position of those activities and fund for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

The Honorable Judges of the
Judicial Expense Fund for the
Civil District Court for the Parish of Orleans
also including **First and Second City Courts,**
Recorder of Mortgages and Register of Conveyances
for the City of New Orleans
New Orleans, Louisiana

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2009 on our consideration of the **Judicial Expense Fund's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the governmental activities and fund financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were performed for the purpose of forming an opinion on the governmental activities and fund financial statements of the **Judicial Expense Fund** taken as a whole. The supplementary information identified as Exhibits E through K is presented for purposes of additional analysis and is not a required part of the accompanying governmental activities and fund financial statements.

Such information has not been subjected to the auditing procedures applied in the audits of the governmental activities and fund financial statements and, accordingly, we express no opinion on it.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

The Honorable Judges of the
Judicial Expense Fund for the
Civil District Court for the Parish of Orleans
also including First and Second City Courts,
Recorder of Mortgages and Register of Conveyances
for the City of New Orleans
New Orleans, Louisiana

Also, the accompanying information identified as Schedules I, II, III and IV and Exhibits A, B, C, D and L is presented for purposes of additional analysis and is not a required part of the governmental activities and fund financial statements of **the Judicial Expense Fund**. Such information has been subjected to the auditing procedures applied in the audits of the governmental activities and fund financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the governmental activities and fund financial statements taken as a whole.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 12, 2009

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Introduction to the Two Types of Financial Statements

The **Judicial Expense Fund** has only one fund, the General Fund, and engages in only one type of activity, a governmental activity of a specific-purpose government. The fund financial statements (Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance, shown on pages 25 through 28) show the results of operations and financial position using the *current financial resources* measurement focus and the *modified accrual* basis of accounting, emphasizing the change in fund balance as a result of the current year's operations as well as the amount of resources available to spend. The government-wide financial statements (Statement of Net Assets and Statement of Activities, shown on pages 22 through 24) show the results of operations and financial position using the *total economic resources* measurement focus and the *accrual* basis of accounting, which emphasize the long-term financial picture and are very similar to the financial statements of private-sector for-profit enterprises.

The difference in *measurement focus* affects the types of transactions and events that are reported in the operating statement. Specifically, since *fund* statements are concerned with only *current* financial resources, noncurrent assets and liabilities are not shown on the Balance Sheet, and their related expenses are not reflected in the operating statements; *government-wide* financial statements *include* noncurrent assets and liabilities and their related expenses. For the **Judicial Expense Fund** at the *fund level*, the full purchase price of capital assets, net of retirements (\$180,831 in 2008 and \$33,385 in 2007) has been recorded as *expenditures* on the operating statement in the year of purchase, since available financial resources have been decreased (cash has been spent to purchase the asset). In contrast, since the *government-wide* statements focus on *total* economic resources, capital assets are shown as noncurrent assets on the Statement of Net Assets (with their related accumulated depreciation), and a portion of their purchase price has been allocated as depreciation expense on the Statement of Activities, as is the practice in private-sector enterprises. On the liability side, the fund Balance Sheet excludes noncurrent liabilities (\$708,056 in 2008 and \$367,865 in 2007), but the government-wide Statement of Net Assets includes these liabilities, as they will be paid sometime in the future and thus affect *total* economic resources, although not *current* financial resources.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

Introduction to the Two Types of Financial Statements, Continued

The second difference between fund and government-wide financial statements is the basis of accounting, or the timing of the recognition of transactions and events. *Fund* statements use the *modified accrual* basis of accounting, which recognizes revenues when they are earned, only so long as they are collectible within the fiscal period, and expenditures when they are due (hence the elimination of long-term liabilities from the Balance Sheet). The government-wide financial statements use the *full accrual* basis of accounting: revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the receipt or disbursement. In layman's terms, fund financial statements focus on the current fiscal year, and the resources that are available and spendable, and government-wide statements focus on the overall economic position, both short and long term. Chart 1 summarizes these differences.

CHART 1:

Overview of Difference in Fund and Government-Wide Financial Statements

	<u>Fund</u>	<u>Government-Wide</u>
Statement of Position	Balance Sheet	Statement of Net Assets
Statement of Operations	Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Activities
Measurement focus	Current financial resources	Total economic resources
Basis of accounting	Modified accrual	Accrual

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

CHART 1:

**Overview of Difference in Fund and Government-Wide Financial Statements,
Continued**

	<u>Fund</u>	<u>Government-Wide</u>
Capital Assets	Full purchase price is expensed in the year of purchase in the operating statement; not recorded on the Balance Sheet	Full purchase price is recorded as a capital asset on the Statement of Net Assets; depreciation expense for the current fiscal year is recorded on the Statement of Activities; total accumulated depreciation expense is shown on the Statement of Net Assets
Noncurrent liabilities	Not shown on the Balance Sheet; the related expenditure is not recorded in the operating statement until the expenditure has occurred	Shown on the Statement of Net Assets; the related expense is recorded in the Statement of Activities
Depreciation expense	Not recorded	Recorded in the Statement of Activities
Accumulated depreciation	Not recorded	Shown on the Statement of Net Assets

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

**Overview of Difference in Fund and Government-Wide Financial Statements,
Continued**

The *presentation* of the two sets of financial statements is also different. On the fund level, the Balance Sheet shows Assets, Liabilities, and *Fund Balance*, with a reconciliation to the net assets figure which appears at the bottom of the government-wide Statement of Net Assets. All assets and liabilities on the Balance Sheet are current. The government-wide Statement of Net Assets shows Assets and Liabilities, separated into current and noncurrent, and *Net Assets* (the difference between the two). All of the **Judicial Expense Fund's** net assets are unrestricted, although some have been internally designated for capital projects, as explained in detail in NOTE 7.

A significant difference lies in the presentation of the operating statement. The fund Statement of Revenues, Expenditures, and Fund Balance lists revenues followed by the detailed list of expenditures (separated into direct and indirect) and ends with the *fund balance reconciliation*. This familiar statement answers the question, "Did this year's operations increase or decrease fund balance?" (available financial resources). The L-shaped government-wide Statement of Activities, which is read across then down, answers the question "How much did it cost to provide this service?" so it begins with the expenses of each function, followed by *program revenues* (the specific revenues provided by users of the services), to derive at net program revenue (the difference between program revenues and expenses). Reading down the net column, general revenues are added to calculate the change in net assets, which is reconciled to net assets at the end of the year. The five functions of the **Judicial Expense Fund** are (1) the fourteen divisions of Civil District Court; (2) three sections of First City Court; (3) Second City Court; (4) the Office of the Recorder of Mortgages; and (5) the Office of the Register of Conveyances. General and administrative costs are allocated to the five functions based on that function's percent of total revenues derived from filing fees.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

How 2008 Compares with 2007 - Statement of Net Assets

Chart 2 provides condensed information from the Statement of Net Assets for 2008 and 2007.

**CHART 2:
Statement of Net Assets Comparative Data**

	<u>2008</u>	<u>2007</u>	<u>Variance Increase (Decrease) Amounts</u>	<u>Variance Increase (Decrease) Percent (%)</u>
Capital assets, net	\$ 714,970	\$ 801,044	\$ (86,074)	(10.7)
Other assets	<u>6,534,391</u>	<u>8,508,318</u>	<u>(1,973,927)</u>	(23.2)
Total assets	<u>7,249,361</u>	<u>9,309,362</u>	<u>(2,060,001)</u>	(22.1)
Noncurrent liabilities	708,056	367,864	340,192	92.48
Other liabilities	<u>469,446</u>	<u>944,318</u>	<u>(474,872)</u>	(50.3)
Total liabilities	<u>1,177,502</u>	<u>1,312,182</u>	<u>(134,680)</u>	(10.26)
Total net assets	<u>\$6,071,859</u>	<u>\$7,997,180</u>	<u>\$(1,925,321)</u>	(24.0)

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

How 2007 Compares with 2006 - Statement of Net Assets, Continued

Capital assets decreased from 2007 to 2008 because depreciation expense for 2008 of \$(331,480) was greater than the \$245,571 increase in purchases of capital assets in 2008. Notes 1 and 4 include details on all of the **Judicial Expense Fund's** capital assets.

The main components of Other Assets are Cash and Accounts Receivable. **Cash** decreased by \$1,572,440 due to, lower income and a reduction in Accounts Receivable. **Current Liabilities** decreased due to a reduction in accounts payable.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

How 2008 compares with 2007 - Statement of Activities

Chart 3 below gives comparative data from the Statement of Activities for the fiscal years ended December 31, 2008 and 2007:

**CHART 3:
Statement of Activities Comparative Data**

	<u>2008</u>	<u>2007</u>	<u>Variance Increase (Decrease) Amounts</u>	<u>Variance Increase (Decrease) Percent (%)</u>
Program revenues	\$13,227,575	\$15,779,146	\$(2,551,571)	(15.2)
General revenues	<u>1,004,633</u>	<u>950,563</u>	<u>(54,070)</u>	(5.7)
Total revenues	<u>14,232,208</u>	<u>16,729,709</u>	<u>(2,497,501)</u>	(14.9)
Expenses:				
Civil District Court	9,793,544	10,456,143	(662,599)	(6.3)
First City Court	2,135,339	2,017,101	118,238	5.8
Second City Court	528,942	498,623	30,319	6.1
Recorder of Mortgages	2,060,184	1,965,717	94,467	4.8
Register of Conveyances	<u>1,639,520</u>	<u>1,310,912</u>	<u>328,608</u>	25.1
Total expenses	<u>16,157,529</u>	<u>16,248,496</u>	<u>(90,967)</u>	(0.6)
Change in net assets	(1,925,321)	481,213	(2,406,533)	(500)
Beginning net assets, as restated	<u>7,997,180</u>	<u>7,515,967</u>	<u>481,213</u>	6.4
Ending net assets	<u>\$ 6,071,859</u>	<u>\$ 7,997,180</u>	<u>\$(1,925,321)</u>	(24.1)

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

How 2008 compares with 2007 - Statement of Activities, Continued

Program revenues were less in 2008 than in 2007 because the increase filings due to Hurricane Katrina are coming to an end and the general state of the United States economy is in a recession

The largest component of general revenues is **Interest Income**, which decreased by 53.6% from 2007 to 2008 due to declining interest rates.

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**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

Budgetary Comparison

Chart 4 below shows the amounts for the original budget, final budget, and actual results for 2008 and 2007.

**CHART 4:
2008 and 2007 Budgetary Comparison Data**

	<u>2008</u>		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues	\$15,386,404	\$14,808,280	\$14,232,208
Other financing sources (uses):			
Fund balance	<u>1,469,931</u>	<u>2,048,055</u>	<u>1,499,056</u>
Total revenues	<u>16,856,335</u>	<u>16,856,335</u>	<u>15,731,264</u>
Operating expenditures	16,596,335	16,596,335	15,550,433
Capital expenditures	<u>260,000</u>	<u>260,000</u>	<u>180,831</u>
Total expenditures	<u>16,856,335</u>	<u>16,856,335</u>	<u>15,731,264</u>
Change in fund balance	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

Budgetary Comparison, Continued

**CHART 4:
2008 and 2007 Budgetary Comparison Data, Continued**

		<u>2007</u>	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	
Revenues	\$11,766,913	\$15,470,650	\$16,729,709
Other Financial Sources:			
Fund balance	<u>1,650,000</u>	<u>764,014</u>	<u>-0-</u>
Total revenues	<u>13,416,913</u>	<u>16,234,664</u>	<u>16,729,709</u>
Operating expenditures	13,393,689	16,234,664	15,812,043
Capital expenditures	<u>-0-</u>	<u>-0-</u>	<u>33,385</u>
Total expenditures	<u>13,393,689</u>	<u>16,234,664</u>	<u>15,845,428</u>
Change in fund balance	\$ <u>23,244</u>	\$ <u>-0-</u>	\$ <u>884,281</u>

The original 2008 budget was amended once, because it became apparent that interest income would be substantially less than original estimates.

Actual results differed from the final budget: actual revenues were lower than budgeted. This is most likely due to the economic recession of the country. This has also reduced Clerk's salary fund expense.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

Overall Analysis

Operations in 2008 decreased net assets by \$1,925,320. Revenue has returned to near pre-Katrina levels while, with the exception of the Clerk's Operation Fund expense, expenses have remained low. Post employment benefit expense and other employee benefits expenses have gone down due to the fact that there are less employees than in 2004 and the Office of Group Benefits now offers Medicare Supplement Insurance. The completion of the computer system has also improved operations and raised remote access revenue.

Significant Events

Act 621 of the Louisiana Legislative has had more impact on **the Judicial Expense Fund** than any other event since it was enacted. The general state of the National economy is also a significant event because it has caused a sharp decline in interest income while also reducing the filing fee revenue in the Recorder of Mortgage Office and the Register of Conveyance Offices.

The Judicial Expense Fund does not have any infrastructure assets, nor does it have any long-term debt other than compensated absences and a retirement escrow which are discussed in NOTE 1. Since **the Judicial Expense Fund** has only one fund, the General Fund, no fund analysis is necessary as this entire discussion pertains to this single general fund.

Requests for Information

This financial report is designated to provide a general overview of the finances of **the Judicial Expense Fund** for all those of interest in the finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to **the Judicial Expense Fund** 421 Loyola Avenue, Room 320, New Orleans, LA 70112.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF NET ASSETS
DECEMBER 31, 2008 AND 2007**

ASSETS

GOVERNMENTAL ACTIVITIES

	<u>2008</u>	<u>2007</u>
Current Assets:		
Cash and temporary cash investments (NOTE 2)	\$ 5,683,493	\$ 7,255,933
Accounts receivable	256,619	290,096
Interest receivable (NOTE 6)	242,266	562,970
Clerk of CDC Benefit Fund Receivable	2,825	34,405
Clerk of CDC Salary Fund Receivable	219,737	234,731
Prepaid items	<u>129,451</u>	<u>130,183</u>
Total current assets	<u>6,534,391</u>	<u>8,508,318</u>
Noncurrent Assets:		
Capital assets, net of accumulated depreciation (NOTE 4)	<u>714,970</u>	<u>801,044</u>
Total noncurrent assets	<u>714,970</u>	<u>801,044</u>
Total assets	<u>7,249,361</u>	<u>9,309,362</u>

The accompanying notes are an integral part of the financial statements.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF NET ASSETS, CONTINUED
DECEMBER 31, 2008 AND 2007**

LIABILITIES

	<u>2008</u>	<u>2007</u>
Current Liabilities:		
Accounts payable	\$ 269,722	\$ 244,839
Accrued expenses	171,367	671,835
Supreme Court funds	24,287	21,317
Insurance payable	-0-	6,327
Other benefits payable	<u>4,070</u>	<u>-0-</u>
Total current liabilities	<u>469,446</u>	<u>944,318</u>
Noncurrent liabilities:		
Compensated absences (NOTE 12)	18,414	55,459
Atkins retirement escrow (NOTE 12)	-0-	1,300
Other non-current liabilities (NOTE 12)	64,740	-0-
Unfunded postemployment benefits (NOTE 11)	<u>624,902</u>	<u>311,105</u>
Total noncurrent liabilities	<u>708,056</u>	<u>367,864</u>
Total liabilities	<u>\$ 1,177,502</u>	<u>\$ 1,312,182</u>

NET ASSETS

Invested in capital assets (NOTE 4)	\$ 714,970	\$ 801,044
Unrestricted (NOTE 7)	<u>5,356,889</u>	<u>7,196,136</u>
Total net assets	<u>\$ 6,071,859</u>	<u>\$ 7,997,180</u>

The accompanying notes are an integral part of the financial statements.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

Functions	2008				2007			
	GOVERNMENTAL ACTIVITIES							
	Expenses	Program Revenues	Net (Expenses) Revenues and Changes in Net Assets		Charges for Services	Operating Grants	Net (Expenses) Revenues and Changes in Net Assets	
Civil District Court	\$ 9,793,544	\$ 6,716,369	\$ (3,037,020)	\$10,456,143	\$ 7,995,893	\$46,413	\$(2,413,837)	
First City Court	2,135,339	1,092,624	(1,042,715)	2,017,101	945,740	-0-	(1,071,361)	
Second City Court	528,942	157,624	(371,318)	498,623	113,700	-0-	(384,923)	
Recorder of Mortgages	2,060,184	2,763,494	703,310	1,965,717	3,546,662	-0-	1,580,945	
Register of Conveyances	1,639,520	2,457,309	817,789	1,310,912	3,130,738	-0-	1,819,826	
Total	\$16,157,529	\$13,187,420	(2,929,954)	\$16,248,496	\$15,732,733	\$46,413	(469,350)	
General Revenues:								
Interest income			426,174				885,953	
Other income			578,459				64,610	
Total general revenues			1,004,633				950,563	
Change in net assets			(1,925,321)				481,213	
Net assets, beginning of the year as restated (NOTE 15)			7,997,180				7,515,967	
Net assets, end of the year			\$ 6,071,859				\$ 7,997,180	

The accompanying notes are an integral part of the financial statements.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
BALANCE SHEET- GOVERNMENTAL FUND
DECEMBER 31, 2008 AND 2007**

ASSETS

	<u>2008</u>	<u>2007</u>
Cash and temporary cash investments	\$5,683,493	\$7,255,933
Accounts receivable	256,619	290,096
Interest receivable	242,266	562,970
Prepaid items	129,451	130,183
Clerk'S Benefit Fund receivable	2,825	34,405
Clerk's Salary Fund receivable	<u>219,737</u>	<u>234,731</u>
Total assets	<u>6,534,391</u>	<u>8,508,318</u>

LIABILITIES

Accounts payable	441,090	916,674
Supreme Court funds payable	24,287	21,317
Salaries and benefits payable	<u>4,070</u>	<u>6,327</u>
Total liabilities	<u>469,447</u>	<u>944,318</u>

FUND BALANCE

Unreserved fund balance designated for subsequent years' special projects	-0-	3,760,000
Unreserved	<u>6,064,944</u>	<u>3,804,000</u>
Total fund balance	6,064,944	7,564,000

Amounts reported for governmental activities
in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund at the fund level.	714,970	801,044
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund at the fund level.	<u>(708,055)</u>	<u>(367,864)</u>
Net assets	<u>\$6,071,859</u>	<u>\$7,997,180</u>

The accompanying notes are an integral part of the financial statements.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE—GOVERNMENTAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
REVENUES		
Filing fees	\$13,086,815	\$15,564,094
Remote access fees	100,605	168,640
Interest income	426,174	885,954
Grants	40,155	46,412
Other income	<u>578,459</u>	<u>64,609</u>
Total revenues	<u>14,232,208</u>	<u>16,729,709</u>
EXPENDITURES		
Direct:		
Salaries	7,324,436	8,105,576
Employee benefits	2,367,253	2,570,792
Court stenographer and interpreter fees	55,364	16,402
Juror meals and transportation	58,183	40,639
UCC filing fees	<u>39,749</u>	<u>39,377</u>
Total direct expenditures	<u>9,844,985</u>	<u>10,772,786</u>
Indirect:		
Clerk of Civil District Court Operational Fund	4,006,445	3,167,916
Books, printing and copying	263,296	308,226
Building and personnel security	142,116	105,992
Communication	228,299	233,775
Facilities	159,351	297,737
Furniture, equipment and maintenance	179,867	211,711
Insurance	188,615	127,056
Office supplies and expenditures	135,966	157,310
Postage and courier	52,090	42,297
Professional services	137,201	214,561
Other expenditures	<u>64,745</u>	<u>34,520</u>
Page total	<u>5,557,991</u>	<u>4,901,101</u>

The accompanying notes are an integral part of the financial statements.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE--GOVERNMENTAL FUND, CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
EXPENDITURES, CONTINUED		
Indirect:		
Professional education and dues	\$ 147,457	\$ 138,156
Capital expenditures (net of related long-term debt)	<u>180,831</u>	<u>33,385</u>
 Total indirect expenditures	 <u>5,886,279</u>	 <u>5,072,642</u>
Total expenditures	<u>15,731,264</u>	<u>15,845,428</u>
 Change in fund balance	 (1,499,056)	 884,281
Fund balance, beginning of the year	<u>7,564,000</u>	<u>6,679,719</u>
Fund balance, end of year	<u>\$ 6,064,944</u>	<u>\$ 7,564,000</u>

The accompanying notes are an integral part of the financial statements.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Net change in fund balance	\$(1,499,056)	\$ 884,281
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays, net of retirements exceed accumulated depreciation in the current period.	(86,073)	(336,493)
Compensated absences reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund.	37,046	(5,010)
The long term portion of lease obligations reported in the Statement of Activities do not require the use of current financial resources therefore are not reported as expenditures in the government fund.	(64,742)	-0-
Atkins retirement escrow reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the government fund.	1,301	(1,033)
Postemployment benefits not funded in the current year do not require the use of current financial resources and therefore not reported as expenditures in the governmental fund.	<u>(313,797)</u>	<u>(60,532)</u>
Change in net assets	<u><u>\$(1,925,321)</u></u>	<u><u>\$ 481,213</u></u>

The accompanying notes are an integral part of the financial statements.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2008**

**CLERK, CIVIL DISTRICT COURT
FOR THE
PARISH OF ORLEANS - SALARY FUND**

ASSETS

Cash and cash equivalents	\$3,904,122
Receivables	16,178
Prepaid expenses	<u>11,565</u>
Total assets	<u><u>\$3,931,865</u></u>

LIABILITIES

Accounts payable	\$ 81,974
Accrued payroll liabilities	142,357
Due to Judicial Expense Fund	<u>219,028</u>
Total liabilities	<u><u>443,359</u></u>

FUND EQUITY

Fund balance - unreserved and undesignated	<u>3,488,506</u>
Total liabilities and fund equity	<u><u>\$3,931,865</u></u>

The accompanying notes are an integral part of the financial statements.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE-GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

**CLERK, CIVIL DISTRICT COURT
FOR THE
PARISH OF ORLEANS - SALARY FUND**

REVENUES

Fees, charges, and commissions for services:	
Fees for filing legal documents	\$4,725,145
Fees for copies of documents and facsimiles	225,837
Miscellaneous	1,376
Interest earnings	<u>98,618</u>
Total revenues	<u>5,050,976</u>

EXPENDITURES

General government:	
Personnel services and related benefits	2,683,688
Operating services	<u>719,375</u>
Total current expenditures	3,403,063
Capital outlay	<u>37,075</u>
Total expenditures	<u>3,440,138</u>
Excess of revenues over expenditures	1,610,838
Fund balance, beginning of year	<u>1,877,668</u>
Fund balance, end of year	<u>\$3,488,506</u>

The accompanying notes are an integral part of the financial statements.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2007**

**CLERK, CIVIL DISTRICT COURT
FOR THE
PARISH OF ORLEANS - SALARY FUND**

ASSETS

Cash and cash equivalents	\$1,995,243
Receivables	<u>19,374</u>
Total assets	<u>\$2,014,617</u>

LIABILITIES

Accounts payable	\$ 3,680
Accrued payroll liabilities	75,245
Due to Judicial Expense Fund	<u>58,024</u>
Total liabilities	<u>136,949</u>

FUND EQUITY

Fund balance - unreserved and undesignated	<u>1,877,668</u>
Total liabilities and fund equity	<u>\$2,014,617</u>

The accompanying notes are an integral part of the financial statements.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE-GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2007**

**CLERK, CIVIL DISTRICT COURT
FOR THE
PARISH OF ORLEANS - SALARY FUND**

REVENUES

Fees, charges, and commissions for services:	
Fees for filing legal documents	\$3,986,266
Fees for copies of documents and facsimiles	372,442
Insurance arbitration fees	198,175
Miscellaneous	147,186
Interest earnings	<u>41,985</u>
Total revenues	<u>4,746,054</u>

EXPENDITURES

General government:	
Personnel services and related benefits	2,113,832
Operating services	534,022
Disaster losses, recovery and remediation costs	<u>247,346</u>
Total expenditures	<u>2,895,200</u>
Excess of revenues over expenditures	1,850,854
Fund balance, beginning of year	<u>26,814</u>
Fund balance, end of year	<u>\$1,877,668</u>

The accompanying notes are an integral part of the financial statements.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF FIDUCIARY NET ASSETS
DECEMBER 31, 2008

	CLERK OF THE SECOND CITY COURT OF THE CITY OF NEW ORLEANS		CLERK OF THE FIRST CITY COURT OF THE CITY OF NEW ORLEANS	
	REGISTRY OF COURT FUND	GARNISHMENT DEPOSIT FUND	REGISTRY OF COURT FUND	GARNISHMENT DEPOSIT FUND
Assets:				
Cash	\$25,117	\$32,435	\$327,084	\$429,974
Due from Registry of Court Fund	<u>-0-</u>	<u>600</u>	<u>-0-</u>	<u>-0-</u>
Total assets	<u>25,117</u>	<u>33,035</u>	<u>327,084</u>	<u>429,974</u>
Liabilities and Net Assets:				
Liabilities:				
Due to Judicial Expense Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Due to Garnishment Deposit Fund	600	-0-	-0-	-0-
Due to Capital Improvement Fund	195	465	-0-	-0-
Unsettled deposits	24,322	32,570	-0-	-0-
Due to litigants	<u>-0-</u>	<u>-0-</u>	313,626	305,667
Undistributed interest	<u>-0-</u>	<u>-0-</u>	<u>13,458</u>	<u>124,307</u>
Total liabilities	<u>25,117</u>	<u>33,035</u>	<u>327,084</u>	<u>429,974</u>
Net assets	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of the financial statements.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF FIDUCIARY NET ASSETS
DECEMBER 31, 2007

	CLERK OF THE SECOND CITY COURT OF THE CITY OF NEW ORLEANS		CLERK OF THE FIRST CITY COURT OF THE CITY OF NEW ORLEANS	
	REGISTRY OF COURT FUND	GARNISHMENT DEPOSIT FUND	REGISTRY OF COURT FUND	GARNISHMENT DEPOSIT FUND
Assets:				
Cash	\$37,527	\$32,536	\$288,365	\$422,482
Due from Registry of Court Fund	<u>-0-</u>	<u>555</u>	<u>-0-</u>	<u>-0-</u>
Total assets	<u>37,527</u>	<u>33,091</u>	<u>288,365</u>	<u>422,482</u>
Liabilities and Net Assets:				
Liabilities:				
Due to Judicial Expense Fund	14,232	-0-	-0-	-0-
Due to Garnishment Deposit Fund	555	-0-	-0-	-0-
Due to Capital Improvement Fund	173	1,351	-0-	-0-
Unsettled deposits	22,567	31,740	-0-	-0-
Due to litigants	-0-	-0-	274,948	298,197
Undistributed interest	<u>-0-</u>	<u>-0-</u>	<u>13,417</u>	<u>124,285</u>
Total liabilities	<u>37,527</u>	<u>33,091</u>	<u>\$288,365</u>	<u>\$422,482</u>
Net assets	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of the financial statements.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF FIDUCIARY NET ASSETS (DEFICIT)
DECEMBER 31, 2008**

	<u>CLERK OF CIVIL DISTRICT CITY COURT FOR THE PARISH OF ORLEANS</u>		
	<u>GARNISHMENT FUND</u>	<u>REGISTRY/ APPEALS FUND</u>	<u>TOTAL</u>
Assets:			
Cash	\$ <u>60,769,617</u>	\$ <u>553,356</u>	\$ <u>61,322,973</u>
Total assets	<u>60,769,617</u>	<u>553,356</u>	<u>61,322,973</u>
Liabilities and Net Assets:			
Liabilities:			
Escrow for pre 1990 litigation deposit	-0-	41,456	41,456
Deposits by litigants and interest credited	60,903,125	511,900	61,415,025
Due to Judicial Expense Fund	<u>242,266</u>	<u>-0-</u>	<u>242,266</u>
Total liabilities	<u>61,145,391</u>	<u>553,356</u>	<u>61,698,747</u>
Net assets (deficit):			
Pending litigation	(386,350)	-0-	(386,350)
Undistributed funds	<u>10,576</u>	<u>-0-</u>	<u>10,576</u>
Net assets (deficit):	\$ <u>(375,774)</u>	\$ <u>-0-</u>	\$ <u>(375,774)</u>

The accompanying notes are an integral part of the financial statements.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF FIDUCIARY NET ASSETS (DEFICIT)
DECEMBER 31, 2007

	CLERK OF CIVIL DISTRICT CITY COURT FOR THE PARISH OF ORLEANS		
	GARNISHMENT FUND	REGISTRY/ APPEALS FUND	TOTAL
Assets:			
Cash	\$ 21,575.284	\$ 456.018	\$ 22,031.302
Total assets	21,575.284	456.018	22,031.302
Liabilities and Net Assets:			
Liabilities:			
Deposits by litigants and interest credited	21,388,088	456,018	21,844,106
Due to Judicial Expense Fund	562.970	-0-	562.970
Total liabilities	21,951,058	456,108	22,407,076
Net assets (deficit):			
Pending litigation	(386,350)	-0-	(386,350)
Undistributed funds	10,576	-0-	10,576
Net assets (deficit):	\$ (375,774)	\$ -0-	\$ (375,774)

The accompanying notes are an integral part of the financial statements.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	CLERK OF THE SECOND CITY COURT OF THE CITY OF NEW ORLEANS		CLERK OF THE FIRST CITY COURT OF THE CITY OF NEW ORLEANS	
	REGISTRY OF COURT FUND	GARNISHMENT DEPOSIT FUND	REGISTRY OF COURT FUND	GARNISHMENT DEPOSIT FUND
Additions				
Court Costs, charges and fees collected	\$205,753	\$ -0-	\$ -0-	\$ -0-
Less: Court costs, charges and fees refunded	(1,073)	-0-	-0-	-0-
Constable and transcript fees collected	1,467	-0-	-0-	-0-
Garnishment Deposits	975	975	-0-	-0-
Interest earnings	195	664	2,368	3,196
Collections on behalf of litigants or upon court order	<u>4,367</u>	<u>-0-</u>	<u>98,213</u>	<u>10,126</u>
Total additions	<u>211,684</u>	<u>1,639</u>	<u>100,581</u>	<u>13,322</u>
Reductions				
Fees, court costs, charges and interest earnings distributed to Judicial Expense Fund	218,912	-0-	-0-	-0-
Constable and transcript fees paid	1,467	-0-	-0-	-0-
Garnishment Deposits distributed to the Garnishment Deposit Fund	930	-0-	-0-	-0-
Payments to litigations or per court order	-0-	-0-	59,535	2,655
Interest earnings distributed to the Capital Improvements Fund	173	1,550	-0-	-0-
Garnishment deposits, distributions to respondents and refunds	-0-	145	-0-	-0-
Bank Charges	-0-	-0-	41	40
Transfers to Capital Improvement Fund	<u>2,612</u>	<u>-0-</u>	<u>2,327</u>	<u>3,157</u>
Total reductions	<u>224,094</u>	<u>1,695</u>	<u>61,903</u>	<u>5,852</u>
Net assets, beginning of year	<u>37,527</u>	<u>33,091</u>	<u>274,948</u>	<u>298,197</u>
Net assets, end of year	<u>\$ 25,117</u>	<u>\$33,035</u>	<u>\$313,626</u>	<u>\$305,667</u>

The accompanying notes are an integral part of the financial statements.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007

	CLERK OF THE SECOND CITY COURT OF THE CITY OF NEW ORLEANS		CLERK OF THE FIRST CITY COURT OF THE CITY OF NEW ORLEANS	
	REGISTRY OF COURT FUND	GARNISHMENT DEPOSIT FUND	REGISTRY OF COURT FUND	GARNISHMENT DEPOSIT FUND
Additions				
Court Costs, charges and fees collected	\$162,747	\$ -0-	\$ -0-	\$ -0-
Less: Court costs, charges and fees refunded	(1,429)	-0-	-0-	-0-
Constable and transcript fees collected	365	-0-	-0-	-0-
Garnishment Deposits	705	705	-0-	-0-
Interest earnings	173	1,351	2,256	3,863
Collections on behalf of litigants or upon court order	<u>4,265</u>	<u>-0-</u>	<u>70,249</u>	<u>7,276</u>
Total additions	<u>166,826</u>	<u>2,056</u>	<u>72,505</u>	<u>11,139</u>
Reductions				
Fees, court costs, charges and interest earnings distributed to Judicial Expense Fund	156,749	-0-	-0-	-0-
Constable and transcript fees paid	365	-0-	-0-	-0-
Garnishment Deposits distributed to the Garnishment Deposit Fund	600	-0-	-0-	-0-
Payments to litigations or per court order	8,990	-0-	48,981	435
Interest earnings distributed to the Capital Improvements Fund	-0-	980	-0-	-0-
Garnishment deposits, distributions to respondents and refunds	-0-	115	-0-	-0-
Bank Charges	-0-	-0-	26	53
Transfers to Capital Improvement Fund	210	-0-	2,029	3,134
Other reductions	<u>90</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total reductions	<u>167,004</u>	<u>1,095</u>	<u>51,036</u>	<u>3,622</u>
Net assets, beginning of year	<u>37,705</u>	<u>32,130</u>	<u>253,479</u>	<u>290,680</u>
Net assets, end of year	<u>\$ 37,527</u>	<u>\$ 33,091</u>	<u>\$274,948</u>	<u>\$298,197</u>

The accompanying notes are an integral part of the financial statements.

**JUDICIAL EXPENSE FUND FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2008**

**CLERK OF CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS**

	<u>REGISTRY/ GARNISHMENT FUNDS</u>	<u>APPEAL FUND</u>	<u>TOTAL</u>
<u>Additions</u>			
Interest earnings	\$ 484,532	\$ -0-	\$ 484,532
Total additions	<u>484,532</u>	<u>-0-</u>	<u>484,532</u>
<u>Reductions</u>			
Fees, court costs, charges and interest earnings distributed to Judicial Expense Fund	242,266	-0-	242,266
Transfers to Registry Fund	<u>242,266</u>	<u>-0-</u>	<u>242,266</u>
Total reductions	<u>484,532</u>	<u>-0-</u>	<u>484,532</u>
Net assets, (deficit) beginning of year	<u>(375,774)</u>	<u>-0-</u>	<u>(375,774)</u>
Net assets, (deficit), end of year	<u>\$(375,774)</u>	<u>\$ -0-</u>	<u>\$(375,774)</u>

The accompanying notes are an integral part of the financial statements.

**JUDICIAL EXPENSE FUND FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2007**

**CLERK OF CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS**

	<u>REGISTRY/ GARNISHMENT FUNDS</u>	<u>APPEAL FUND</u>	<u>TOTAL</u>
<u>Additions</u>			
Interest earnings	<u>\$1,125,940</u>	<u>\$ -0-</u>	<u>\$1,125,940</u>
Total additions	<u>1,125,940</u>	<u>-0-</u>	<u>1,125,940</u>
<u>Reductions</u>			
Fees, court costs, charges and interest earnings distributed to Judicial Expense Fund	(562,970)	-0-	(562,970)
Transfers to Registry Fund	<u>(562,970)</u>	<u>-0-</u>	<u>(562,970)</u>
Total reductions	<u>1,125,940</u>	<u>-0-</u>	<u>1,125,940</u>
Net assets (deficit), beginning of year	<u>(375,774)</u>	<u>-0-</u>	<u>(375,774)</u>
Net assets (deficit), end of year	<u>\$ (375,774)</u>	<u>\$ -0-</u>	<u>\$ (375,774)</u>

The accompanying notes are an integral part of the financial statements.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

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**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

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**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - Summary of Significant Accounting Policies :

Background

The Judicial Expense Fund for the Civil District Court for the Parish of Orleans (the Judicial Expense Fund) is designated by LSA-R.S. 13:1312 as the managing entity for fiscal operations of the Clerks of the Civil District Court for the Parish of Orleans, the First and Second City Courts of the City of New Orleans, and the offices of the Recorder of Mortgages and the Register of Conveyances for the City of New Orleans.

The judges of the Civil District Court for the Parish of Orleans and the judges of the First and Second City Courts of the City of New Orleans, sitting *En Banc* as set forth in LSA-R.S. 13:1312, have sole responsibility and oversight for **the Judicial Expense Fund**. This responsibility and oversight includes control over all revenues deposited into **the Judicial Expense Fund** by the aforementioned courts and offices, all disbursements made by **the Judicial Expense Fund**, the setting of all fees charged by the courts and offices comprising **the Judicial Expense Fund**, and the determination of expenses related to the operations of such courts and offices.

The accounting policies of **the Judicial Expense Fund** conform to accounting principles generally accepted in the United States of America as applicable to governmental agencies. The following is a summary of the more significant accounting policies:

The Financial Reporting Entity

Governmental Accounting Standards Board Statement No. 14, as subsequently amended by (GASB 39) *The Financial Reporting Entity*, (GASB 14) established standards for defining and reporting on the financial entity. GASB 14 indicates the focal point for identifying the financial reporting entity is the primary government, which is considered to be any state government or general purpose local government or a special purpose government that meets all of the following criteria: a) has a separately elected governing body; b) is legally separate; and c) is fiscally independent of other state and local governments.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies , Continued:

The Financial Reporting Entity, Continued

On June 23, 2006, the Louisiana State Legislature enacted Act 621 of the Louisiana 2006 regular session to create the 41st **Judicial District Court**. Included in the provisions for the Act was the collection and allocation of fees to the **Judicial Expense Fund** and the Clerk of the Civil District Court's operational funds. Specifically, the Act provides for the collection of fees and the deposit of a minimum of sixty percent of those funds in the Clerk of the Civil District Court and the **Judicial Expense Fund**.

As previously discussed, state statute established the **Judicial Expense Fund** as the managing entity for fiscal operations of the Clerks of the Civil District Court for the Parish of Orleans, the First and Second City Courts of the City of New Orleans, and the Recorder of Mortgages and the Register of Conveyances for the City of New Orleans which are separate and independent of any other governmental "reporting entity" as defined by GASB's 14 and 39. In addition, the **Judicial Expense Fund** is financially independent of other governments. Although the **Judicial Expense Fund** conducts its business from a building provided by the City of New Orleans as discussed in NOTE 4, this support is considered incidental in relation to the **Judicial Expense Fund's** total revenues and expenditures and in view of the additions and improvements made to this building by the **Judicial Expense Fund** from its operating revenues over the term of its occupancy which total in excess of \$3,637,317 for 2008 and \$3,477,966 for 2007.

Accordingly, management has concluded that the **Judicial Expense Fund** is the financial reporting entity within the meaning of the provisions of GASB's 14 and 39.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all activities of the **Judicial Expense Fund**. The **Judicial Expense Fund** is considered to be a governmental activity of a special purpose government.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies , Continued:

Government-Wide and Fund Financial Statements, Continued

The **Judicial Expense Fund's** Statement of Activities demonstrates the degree to which the expenses of a given function are offset by function revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect costs are included in expenses reported by function. Program revenues include filing and remote access fees and operating grants.

Separate financial statements are provided for **the Judicial Expense Fund's** governmental fund. The **Judicial Expense Fund's** government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, **the Judicial Expense Fund** considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The Judicial Expense Fund reports its governmental fund as follows:

General Fund

The General Fund is used to account for all financial resources of **the Judicial Expense Fund**.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies , Continued:

General Fund, Continued

The operations of the General Fund are comprised of the General Fund's assets, liabilities, fund balance, revenues and expenditures, as related to the fiscal operations of the Clerks of the Civil District Court, First City Court, Second City Court, and the offices of the Recorder of Mortgages and the Register of Conveyances.

Salaries of the judges of the Civil District Court, which are paid directly by the Supreme Court of Louisiana, are not included in the financial statements presented herein since such salaries are earned by the respective judges for serving in their capacities as state judges and not for compensation in their roles as management of the **Judicial Expense Fund**.

The judges receive no compensation for serving in their capacity as Judges *En Banc* of the **Judicial Expense Fund for the Parish of Orleans**.

Additionally, the **Judicial Expense Fund** has no authority in the determination of these salary amounts or the duties of these individuals in their capacities as state judges. For the same reasons, certain expenditures incurred by these judges and paid directly by the Supreme Court of Louisiana are likewise excluded from these financial statements. Also, salaries of the judges of the First and Second City Courts are paid jointly by the Supreme Court of Louisiana and the **Judicial Expense Fund** (pursuant to LSA-R.S. 13:2152). For the years ended December 31, 2008, and 2007, the **Judicial Expense Fund** paid \$82,792 and \$74,925, respectively for each of the four (4) city court judges for a total of \$331,169 and \$311,119, respectively in salaries to these judges.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies , Continued:

Capital Assets

The Judicial Expense Fund's capitalization policy requires that all single assets costing \$1,500 or more be capitalized and depreciated over their useful lives. Single assets costing less than \$1,500 are expensed. All assets regardless of cost, are tracked. The straight-line method of depreciation is used for all classes of capital assets, and the allocation of depreciation expense begins on the first day of the quarter in which the capital asset is purchased. Leasehold improvements are amortized over the lesser of their useful lives or lease period. Based on its own experience, the Judicial Expense Fund established the following estimated useful lives for each asset class:

<u>Asset Class</u>	<u>Estimated Useful Lives in Years</u>
Computer Equipment	5
Computer Software	5
Office Equipment	5
Furniture and Fixtures	10
Leasehold Improvements	3

All capital assets acquired or donated are valued at historical cost or estimated historical cost if actual historical cost is not available.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies , Continued:

Budgets and Budgetary Accounting

The Judges *En Banc* at a public meeting on December 4, 2008, adopted a budget for the fiscal year ending December 31, 2009. Furthermore, the Judges *En Banc* held a meeting to amend the previously adopted budget for the fiscal year ended December 31, 2007.

Compensated Absences

Employees who work in the offices of the Clerk of First City Court and the Register of Conveyances are permitted to accumulate a limited amount of earned but unused leave (annual vacation and sick leave). The unused leave may be carried forward from year to year and is payable upon separation from service. Accrued leave earned but unused by those employees at December 31, 2008 and 2007, respectively, has been included in the accompanying financial statements.

Professional Education and Dues

It is **the Judicial Expense Fund's** policy to limit expenses by each division of the Court for additional operating expenses. Such expenses may be made at the discretion of each presiding divisional judge in accordance with specific guidelines established by **the Judicial Expense Fund** as to the purpose for which these expenses may be used and only for such expenses supported by proper documentation.

The specific guidelines established by **the Judicial Expense Fund** permit use of such amounts for expenses directly associated with or incidental to legal or judicial matters and functions. These expenses are included in the General Fund of the accompanying financial statements of **the Judicial Expense Fund**.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Governmental Accounting Standards Board (GASB) Numbers 25 and 27

In November, 1994 the GASB issued Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. As such, the **Judicial Expense Fund's** financial statements reflect the disclosure requirements of GASB Numbers 25 and 27.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Cash and Temporary Cash Investments:

Cash and temporary cash investments include amounts in demand deposit accounts as well as short-term cash investments with maturities of three months or less.

At December 31, 2008, and 2007, the carrying amounts of the **Judicial Expense Fund's** deposits were \$5,683,493 and \$7,255,933, respectively and the bank balances were \$5,686,370 and \$6,946,848, respectively. Of these amounts, (\$250,000 an increase in 2008 from \$100,000 and expiring in 2013) was covered by federal depository insurance and the remainder collateralized by a pledge of securities in the joint name of the **Judicial Expense Fund** and the financial institution and held in safekeeping by the Federal Reserve Bank of Boston and JP Morgan Chase.

Custodial credit risk is the risk that, in the event of a failure by the financial institution, the **Judicial Expense Fund's** deposits may not be returned to it. **The Judicial Expense Fund** has a deposit policy for custodial credit risk. Nevertheless, none of the **Judicial Expense Fund's** bank balances were exposed to custodial credit risk, since the pledged securities were in the joint name of the **Judicial Expense Fund** and the financial institution and were held in safekeeping by the Federal Reserve Bank of Boston.

Louisiana state law allows for the investment of excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana, or any other federally insured investment.

State law also requires that all deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the entity or with an unaffiliated bank or trust company for the account of the entity.

Deposits in excess of FDIC insurance were collateralized by the securities previously described.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Pension Plans:

Plan Description

The Judicial Expense Fund does not maintain a separate pension plan for its employees. However, its employees are eligible to participate in various multiple-employer (cost-sharing) defined benefit plans provided by the state or city governments and substantially all of the **Judicial Expense Fund's** employees are covered by one of the available plans.

The respective plan benefits provisions are established and amended under the following statutes:

<u>Plan</u>	<u>Louisiana Revised Statute</u>
Louisiana State Employees' Retirement System-Employees	11:401-542
Louisiana State Employees' Retirement - Judges	11:401-571
Louisiana Clerks' of Court Retirement and Relief Fund	11:1501-1578
Louisiana Sheriff's Pension and Relief Fund	11:2171-2184
Employees' Retirement System of the City of New Orleans	City of New Orleans Code Chapter 114

Generally, eligibility to participate in one of the plans commences with full-time permanent employment and, in some instances, is subject to certain age and earning requirements.

Vesting of full benefits is subject to various years of required service, generally ranging from twelve to thirty years and, in some instances, may require attainment of a minimum age.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Pension Plans, Continued:

Annual retirement benefits under the plans are generally stipulated as a percentage of a participant's defined annual compensation for each year of service. In certain instances, the resulting amount may be increased by a fixed amount. In most cases, annual retirement benefits may not exceed 100% of the participant's defined annual compensation. The plans issue publicly available reports that include financial statements and required supplementary information. The reports may be obtained via contact as follows:

Louisiana State Employees' Retirement System

8401 United Plaza Blvd.
Baton Rouge, LA 70804-4213
Telephone: (800) 256-3000
Fax: (225) 922-0614
Website: lasers.state.la.us

Louisiana Clerks' of Court Retirement and Relief Fund

11745 Bricksome Avenue -- Suite B-1
Baton Rouge, LA 70816
Telephone: (800) 256-6660
Fax: (225) 291-7424
Website: laclerksofcourt.org

Louisiana Sheriffs' Pension and Relief Fund

1225 Nicholson Drive
Baton Rouge, LA 70802-7537
Telephone: (225) 219-0500
Fax: (225) 219-0521
Website: www.lsprf.com

City of New Orleans

Employees' Retirement System
1300 Perdido Street -- Room 1E12
New Orleans, LA 70112
Telephone: (504) 658-1850
Fax: (504) 658-1602

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Pension Plans, Continued:

Funding Policy

Under the terms of the various plans, employees contribute a specified percentage of their gross earnings and the **Judicial Expense Fund** also contributes a specified percentage.

Those plans in which the employees of the **Judicial Expense Fund** participate and the specified contribution percentages at December 31, 2008 and 2007 are as follows:

-----2008-----			
	<u>Period</u>	<u>Contribution Percentages</u> <u>Employee</u> (%)	<u>Employer</u> (%)
Louisiana State Employees' Retirement System (LASERS)-Employees	01/01-06/30	7.50	20.40
	07/01-12/31	7.50	18.50
Employees hired after 7/1/06	01/01-12/31	8.00	18.50
	01/10-06/30	8.00	20.40
Louisiana State Employees' Retirement System (LASERS) - Judges	01/01-06/30	11.50	20.40
	07/01-12/31	11.50	18.50
Louisiana Clerks' Retirement and Relief Fund (LCRRF)	01/01-06/30	8.25	11.75
	07/01-12/31	8.25	11.75
Louisiana Sheriffs' Pension and Relief Fund (LSPRF)	01/01-12/31	10.00	11.00
Employees' Retirement System of the City of New Orleans (ERSCNO)	01/01-12/31	4.00	6.91

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Pension Plans, Continued:

Funding Policy, Continued

-----2007-----			
	<u>Period</u>	<u>Contribution Percentages</u> <u>Employee</u> (%)	<u>Employer</u> (%)
Louisiana State Employees' Retirement System (LASERS)-Employees	01/01-06/30	7.50	19.10
employees hired after 7/1/06	07/01-12/31	7.50	20.40
	07/01-12/31	8.00	19.10
Louisiana State Employees' Retirement System (LASERS) - Judges	01/01-06/30	11.50	19.10
	07/01-12/31	11.50	20.40
Louisiana Clerks' Retirement and Relief Fund (LCRRF)	01/01-06/30	8.25	16.75
	07/01-12/31	8.25	11.75
Louisiana Sheriffs' Pension and Relief Fund (LSPRF)	01/01-12/31	8.25	11.75
Employees' Retirement System of the City of New Orleans (ERSCNO)	01/01-12/31	4.00	8.00

The amounts of the most recently actuarially determined employer contribution as a percentage of covered compensation for each plan for the years ended 2006 and 2005 amounted to:

	<u>2008</u> (%)	<u>2007</u> (%)
LASERS	19.10	19.10
Clerks	16.75	16.75
Sheriffs	11.00	11.00
ERSCNO	9.25	9.25

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Pension Plans, Continued:

Funding Policy, Continued

Benefits granted by the retirement systems are guaranteed by the State of Louisiana or the City of New Orleans, as applicable. **The Judicial Expense Fund** does not guarantee the benefits granted by the retirement systems.

The total payroll of **the Judicial Expense Fund** for 2008 and 2007 amounted to \$6,312,900 and \$8,105,576, respectively. **The Judicial Expense Fund's** contributions to the retirement system and the total covered payrolls by each retirement system by year are as follows:

	-----2008-----				
	<u>LASERS</u>	<u>Clerks</u>	<u>Sheriffs</u>	<u>ERSCNO</u>	<u>Total</u>
Total covered payroll	<u>\$1,932,841</u>	<u>\$2,340,281</u>	<u>\$753,324</u>	<u>\$1,286,454</u>	<u>\$6,312,900</u>
Employer contribution	<u>\$ 375,524</u>	<u>\$ 274,983</u>	<u>\$ 82,866</u>	<u>\$ 85,094</u>	<u>\$ 818,467</u>
Aggregate pension cost	<u>\$ 535,927</u>	<u>\$ 451,297</u>	<u>\$157,090</u>	<u>\$ 136,491</u>	<u>\$1,280,805</u>

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Pension Plans, Continued:

Funding Policy, Continued

	<u>2007</u>				
	<u>LASERS</u>	<u>Clerks</u>	<u>Sheriffs</u>	<u>ERSCNO</u>	<u>Total</u>
Total covered payroll	<u>\$1,658,620</u>	<u>\$3,416,371</u>	<u>\$662,106</u>	<u>\$1,288,175</u>	<u>\$7,025,272</u>
Employer contribution	<u>\$ 328,342</u>	<u>\$ 496,937</u>	<u>\$ 72,832</u>	<u>\$ 103,054</u>	<u>\$1,001,165</u>
Aggregate pension cost	<u>\$ 466,871</u>	<u>\$ 764,049</u>	<u>\$139,043</u>	<u>\$ 154,557</u>	<u>\$1,524,520</u>

Aggregate pension costs for the respective years ended December 31, 2008, and 2007 were \$1,280,805, and \$1,524,520, respectively. For 2008 and 2007 actual contributions from **the Judicial Expense Fund** to each of the four pension plans were 100% of the required contributions.

In accordance with LSA-R.S. 11:1563, if at any time monies in the state fund are not sufficient to pay each retiree and beneficiary the full amount to which he/she is entitled, equal percentages of the full amount shall be paid to each retiree and beneficiary until the fund is replenished so as to warrant resumption of the payment of the full amount to each retiree and beneficiary.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 4 - Capital Assets, Net:

The following is a summary of capital assets for the years ended December 31, 2008 and 2007:

	Balance January 1, <u>2008</u>	<u>Addition</u>	Balance December 31, <u>2008</u>
Computer equipment	\$ 1,160,552	\$ 186,725	\$ 1,347,277
Computer software	1,609,704	-0-	1,609,704
Office equipment	122,025	54,020	176,045
Furniture and fixtures	129,414	4,825	134,239
Leasehold improvements	<u>19,685</u>	<u>-0-</u>	<u>19,685</u>
Total	3,041,380	245,570	3,286,950
Subtotal less accumulated depreciation	<u>(2,240,336)</u>	<u>(331,644)</u>	<u>(2,571,980)</u>
Net	<u>\$ 801,044</u>	<u>\$ (86,074)</u>	<u>\$ 714,970</u>

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 4 - Capital Assets, Net, Continued:

	<u>Balance January 1, 2007</u>	<u>Additions</u>	<u>Balance December 31, 2007</u>
Computer equipment	\$ 1,139,726	\$ 20,827	\$ 1,160,553
Computer software	1,599,220	10,484	1,609,704
Office equipment	119,950	2,074	122,024
Furniture and fixtures	129,414	-0-	129,414
Leasehold improvements	<u>19,685</u>	<u>-0-</u>	<u>19,685</u>
Sub-total	3,007,995	33,385	3,041,380
Less accumulated depreciation and amortization	<u>(1,870,458)</u>	<u>(369,878)</u>	<u>(2,240,336)</u>
Net	<u>\$ 1,137,537</u>	<u>\$(336,493)</u>	<u>\$ 801,044</u>

Depreciation and amortization expense charged to each function for the years ended December 31, 2008, and 2007, are as follows:

	<u>2008</u>	<u>2007</u>
Civil District Court	\$ 97,835	\$197,691
First City Court	39,466	22,956
Second City Court	5,638	3,485
Recorder of Mortgages	99,825	79,504
Register of Conveyances	<u>88,880</u>	<u>66,242</u>
Total	<u>\$331,644</u>	<u>\$369,878</u>

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 4 - Capital Assets, Net:, Continued:

An analysis of changes in accumulated depreciation by asset classification for the years ended December 31, 2008 and 2007 follows:

	<u>Balance</u> <u>January 1, 2008</u>	<u>Additions</u>	<u>Balance</u> <u>December 31, 2008</u>
Computer equipment	\$ 955,232	\$110,090	\$1,065,322
Computer software	1,105,301	202,123	1,307,424
Office equipment	103,780	9,326	113,106
Furniture and fixtures	56,338	10,105	66,443
Leasehold improvements	<u>19,685</u>	<u>-0-</u>	<u>19,685</u>
	<u>\$2,240,336</u>	<u>\$331,644</u>	<u>\$2,571,980</u>

	<u>Balance</u> <u>January 1,</u> <u>2007</u>	<u>Additions</u>	<u>Balance</u> <u>December 31,</u> <u>2007</u>
Computer equipment	\$ 845,063	\$110,169	\$ 955,232
Computer software	867,020	238,281	1,105,301
Office equipment	92,715	11,065	103,780
Furniture and fixtures	45,975	10,363	56,338
Leasehold improvements	<u>19,685</u>	<u>-0-</u>	<u>19,685</u>
	<u>\$1,870,458</u>	<u>\$369,878</u>	<u>\$2,240,336</u>

The building, which the **Judicial Expense Fund** occupies and uses to conduct its operations is owned by the City of New Orleans. Although the **Judicial Expense Fund** does not pay rent to the City, the **Judicial Expense Fund** has made additions and improvements to the building during its term of occupancy.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 4 - Capital Assets, Net:, Continued:

These additions and improvements are not included in the capital assets since **the Judicial Expense Fund** does not own the building. Such building additions and improvements funded from operations of **the Judicial Expense Fund** over its term of occupancy amount to \$3,968,962 and \$3,477,966 through December 31, 2008 and 2007, respectively. Building additions and improvements made for the years ended December 31, 2008 and 2007 amounted to \$159,351 and \$297,737, respectively, and are included in the accompanying financial statements of **the Judicial Expense Fund**.

NOTE 5 - Commitments:

Pursuant to LSA-R.S. 11:1371 **the Judicial Expense Fund** is required to make monthly payments to the widow of a former Civil Court judge who served from 1949 until his death in 1970 and was not a member of the judges' retirement system. The payments are to continue for the remaining life of the widow. The annual amount of the payments totaled \$7,200 for 2008 and 2007, respectively, and are reflected as an expense in the accompanying financial statements of **the Judicial Expense Fund**.

NOTE 6 - Registry of Court Funds:

The Clerks of Civil District Court, First City Court and Second City Court each maintain a Registry of Court fund.

Parties to litigation in these courts may deposit, or be ordered to deposit, cash or property into these funds in connection with the related litigation. Cash or property so deposited is the property of the litigants and is to be returned or disbursed to them or such other parties as the court may direct upon the conclusion of the litigation.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 6 - Registry of Court Funds, Continued:

The Clerk of Civil District Court, the Clerk of First City Court and the Clerk of Second City Court are the custodians of the Registry of Court fund for each respective court. The Clerks generally may only accept deposits into or disburse funds from the Registry of Court fund by order of the respective court.

These funds are subject to an annual audit by independent auditors who issue a separate report thereon.

The financial statements for the Registry of Court and Garnishment Funds except that maintained by the Clerk of Civil District Court for 2007 have been included in the accompanying financial statements for the years ended December 31, 2008 and 2007. However, audited financial statements for the Clerk of Court for 2008 to include the Appeals Fund and disbursements made pursuant to Act 621, were not available for inclusion in the accompanying financial statements.

With respect to the Registry of Court funds of the Civil District Court, LSA-R.S. 13:1305 authorizes the investment of these funds into interest-bearing accounts. The statute also provides that one-half of the interest earned shall be credited to the litigants' deposits and one-half shall be remitted to **the Judicial Expense Fund** as reimbursement for administrative costs associated with the Registry of Court funds.

Interest earned and due to **the Judicial Expense Fund** at December 31, 2008, and 2007, amounted to \$242,266 and \$562,970, respectively, and are included in the accompanying financial statements.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 7 - Designated Funds:

The Judges *En Banc* in 2002 directed the dedication of approximately \$5,600,000 from the unrestricted net assets for various special projects. At December 31, 2008 and 2007 the remaining balances, including any adjustments by project, are as follows:

<u>PROJECT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	
		<u>2008</u>	<u>2007</u>
WANG System Conversion	The Court is converting the old WANG system by replacing all hardware, software, and cables.	\$ -0-	\$ -0-
Upgrade Telephone System	Upgrade telephone system throughout the Civil Court Building.	-0-	75,000
Emergency Operating Reserve	Fund operations in the event of an emergency.	-0-	3,500,000

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 7 - Designated Funds, Continued:

<u>PROJECT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	
		<u>2008</u>	<u>2007</u>
New Courthouse Acquisition Fund	The Judicial Expense Fund plans to purchase/build a new courthouse building since the 421 Loyola Avenue building is unable to provide the Judicial Expense Fund with the space needed to expand. Plans were abandoned in 2007.	\$ -0-	\$ -0-
IT Upgrade	The Court will need to Upgrade existing software and replace computers Over five (5) years old	<u>-0-</u>	<u>185,000</u>
	Total designated	\$ <u>-0-</u>	\$ <u>3,760,000</u>

It is the intent of **the Judicial Expense Fund** to appropriate additional funds in the future.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 8 - Operating Leases:

The Judicial Expense Fund is committed under various leases for office equipment and storage which expire in varying periods through 2011. The leases are considered for accounting purposes to be operating leases. Lease expenses for the years ended December 31, 2008 and 2007 were \$111,452 and \$169,529, respectively.

Future lease payments for these leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2009	\$ 80,176
2010	52,304
2011	39,519
2012	12,322
2013	<u>638</u>
Total	<u>\$184,959</u>

NOTE 9 - Risk Management:

The Judicial Expense Fund is exposed to various risks of loss related to torts, theft, or damage to and destruction of assets for which **the Judicial Expense Fund** carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

For each of the years ended December 31, 2008 and 2007, no insurance settlements exceeded the amount of insurance coverage.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 10 - Concentration of Credit Risk:

The Judicial Expense Fund's principal source of revenues consist mainly of filing fees. If the amount of fees received falls below budgeted levels, **the Judicial Expense Fund's** operating results could be adversely affected.

NOTE 11 - Postemployment Retirement Benefits:

Plan Description

Employees of **the Judicial Expense Fund** may voluntarily participate in the state of Louisiana's health insurance plan as provided by LSA-R.S. 17:1223 which is administered by the Office of Group Benefits. Those employees of **the Judicial Expense Fund** who are plan members become eligible for postemployment medical and life insurance benefits if they reach normal retirement age while working for **the Judicial Expense Fund**; currently **the Judicial Expense Fund** provides postemployment benefits for seventy-three (73) retired employees. This postemployment benefits plan, an agent multiple-employer defined benefit plan, provides employees with a choice of participating in one of four medical insurance plans, each with varying benefits: preferred provider organization (PPO), exclusive provider organization (EPO), managed care option (MCO), or health maintenance organization (HMO). LSA-R.S. 42:801 - 859 assigns the authority to establish benefit plans and premium rates and negotiate contracts to the Office of Group Benefits under the direction of the Commissioner of Administration. The Office of Group Benefits issues a separate financial report which may be obtained by contacting them at:

Office of Group Benefits
State of Louisiana
P. O. Box 44036
Baton Rouge, Louisiana 70804
Phone: (800) 215-1093
Website: www.groupbenefits.org

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Postemployment Retirement Benefits, Continued:

Funding Policy

Currently, there are no requirements for employers to contribute to their postemployment benefits plans. In 2003, the **Judicial Expense Fund** recognized the cost of providing these benefits (the **Judicial Expense Fund's** portion of premiums) as an expense when the benefit premiums were due and thus financed the cost of postemployment benefits on a pay-as-you-go basis. It implemented Governmental Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB Statement 45), prospectively in 2004 and at that time began to record its portion of premiums as an expense during the period of active service by the employee (normal cost). In 2008 and 2007 the **Judicial Expense Fund's** portion of health care, dental and life insurance benefit premiums for both active and retired employees totaled \$1,088,938 and \$1,131,513, respectively. The Judges *En Banc* of the **Judicial Expense Fund** have begun the process of establishing a trust whose assets are dedicated to providing postemployment benefits to retired employees and their beneficiaries and which are legally protected from creditors. It is the intent of the Judges *En Banc*, once the trust is established, to contribute its portion of postemployment benefits to the trust on a monthly basis.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Postemployment Retirement Benefits, Continued:

Required Contribution Rates

As determined by the Office of Group Benefits and approved by the Louisiana Legislature, in 2008 and 2007 the employer paid 75% of the premium cost for postemployment benefits for retired employees and their families, and the retirees paid 25% of the premium cost; monthly premium cost for retired employees ranged from \$126 for a single retiree in the HMO plan to \$502 for a family in the EPO plan. Employees do not contribute to their postemployment benefits costs until they become retirees and begin receiving those benefits.

The Judicial Expense Fund's annual medical and life postemployment benefits cost (expense) is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement Number 45. **The Judicial Expense Fund's** annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize the unfunded actuarial liability (or funding excess) over a period of thirty (30) years for health and life insurance. The total annual required contributions for 2008 and 2007 were \$545,192 and \$426,185, none of which was funded because the trust had not been established.

During 2007, an updated actuarial report prepared for the **Judicial Expense Fund**, resulted in significant adjustments to the amounts previously expensed based on the previous actuarial report. See NOTE 15 for additional discussion.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Postemployment Retirement Benefits, Continued:

**Annual Postemployment Benefits Cost and Net
Postemployment Benefits Liability**

The following table shows the **Judicial Expense Fund's** annual postemployment benefits for 2007 and changes in the Unfunded Postemployment Benefits liability. In 2008 there was an adjustment to record postemployment benefits for employees of the Clerk of Civil District Court's office who had earned vested benefits and were separated by Act 621. This was based upon a separate actuarial report dated June 26, 2006, when the Act became effective.

	<u>2008</u>	<u>2007</u>
Normal cost	\$ 213,601	\$ 154,326
30-year actuarial accrued liability amortization of medical and life insurance	<u>358,464</u>	<u>271,860</u>
Annual required contribution	\$ <u>572,065</u>	\$ <u>426,186</u>
Annual Postemployment Benefits expense	\$ 545,192	\$ 426,186
Payments of Retiree Premiums	(412,691)	(365,652)
Contributions made	<u>-0-</u>	<u>-0-</u>
Increase in Unfunded Postemployment Benefits liability	132,501	60,534
Prior period adjustment	181,296	-0-
Unfunded Postemployment Benefits Liability-January 1, 2008 and 2007	<u>311,105</u>	<u>250,571</u>
Unfunded Postemployment Benefits Liability-December 31, 2008 and 2007	\$ <u>624,902</u>	\$ <u>311,105</u>

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Postemployment Retirement Benefits, Continued:

**Annual Postemployment Benefits Cost and Net
Postemployment Benefits Liability, Continued**

The following table shows the **Judicial Expense Fund's** annual postemployment benefits cost, percentage of that cost contributed, and the net Unfunded Postemployment Benefits liability:

<u>Fiscal Year Ended</u>	<u>Annual Postemployment Benefits Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net Unfunded Postemployment Benefits Liability</u>
12/31/04	\$426,186	80.4%	\$ 83,524
12/31/05	\$426,186	80.4%	83,524
12/31/06	\$426,186	80.4%	83,523
12/31/07	\$426,186	85.5%	60,534
12/31/08	\$545,192	77.3%	132,501
Adjustment			<u>181,296</u>
		Total	<u>\$624,902</u>

Funded Status and Funding Progress

In 2008 and 2007 the **Judicial Expense Fund** made no contributions to a postemployment benefits plan trust since such a trust had not been established; the plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of December 31, 2008, the most recent actuarial valuation, the actuarial accrued liability was \$5,902,065, which is defined as that portion, as determined by a particular actuarial cost method (**the Judicial Expense Fund** uses the Unit Credit Cost method), of the actuarial present value of postemployment plan benefits and expenses which is not provided by normal cost (i.e., the cost of the actuarial present value of postemployment benefits for *active* employees from their hire date through December 31, 2008, and for *retired* employees from their hire date through their date of retirement). Since the plan was not funded in 2008, the entire actuarial accrued liability of \$5,902,065 was unfunded.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Post Employment Retirement Benefits, Continued:

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for postemployment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) healthcare cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Schedule III in the Required Supplementary Information section immediately following the notes to the financial statements presents information about the actuarial value of plan assets relative to the actuarial accrued liability as well as the funding progress.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by **the Judicial Expense Fund** and its employee plan members) at the time of the valuation and on the pattern of sharing costs between **the Judicial Expense Fund** and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between **the Judicial Expense Fund** and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

**JUDICIAL EXPENSE FUND
FOR THE
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NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Postemployment Retirement Benefits, Continued:

Actuarial Methods and Assumptions, Continued

The amount of the current employer portion of the healthcare premiums for retiree coverage has been used as the basis for calculating the actuarial present value of benefits to be paid. The Office of Group Benefits' "Official Schedule of Rates" effective July 1, 2006 has been used for this purpose. It has been assumed that enrollees will retain the same coverage levels after retirement as before.

Actuarial Cost Method

The annual required contributions is determined using the Unit Credit Cost method, a method under which the benefits of each individual in an actuarial valuation are allocated by a consistent formula to valuation years, and actuarial gains or losses reduce or increase the unfunded actuarial accrued liability as they occur. The employer portion of the premiums for retiree medical care in each future year is determined by projecting the current premium levels using the health care cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover rates.

Actuarial Value of Plan Assets

Since this is the first actuarial valuation, there are not any assets to be actuarially valued; however, it is anticipated that future valuations of actuarial assets will be based on Actuarial Standards Board Actuarial Standard of Practice Number 6, *Measuring Retiree Group Benefit Obligations*, which is applicable to postemployment benefits plans and generally requires valuing dedicated plan assets using a method that takes into account market value.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Postemployment Retirement Benefits, Continued:

Turnover Rate

The following service related turnover scale is used;

<u>Years of Service</u>	<u>Percent Turnover (%)</u>
0-5	30
5-6	20
7-8	16
8-9	13
9-10	10
	7
10 and over	4

Retirement Rate

It is assumed that entitlement to benefits will commence at the expected retirement date (that is, the date at which the eligible employee will actually retire) under the pension plan which covers employees. It is assumed that this retirement date is three years later than the earliest date at which the employee is eligible for regular retirement benefits. That "regular retirement" date is defined as the earliest of the following:

30 years of service credit at any age; or
25 years of service credit at age 55; or
10 years of service credit at age 60.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Postemployment Retirement Benefits, Continued:

Healthcare Cost Trend Rate

In the absence of readily available cost trend data from the Office of Group Benefits, the expected rate of increase in healthcare insurance premiums is based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services as published in *National Health Care Expenditures Projections: 2004 to 2013*, Table 3: National Health Expenditures Aggregate and Per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2005 by the Health Care Financing Administration. "State and Local" rates for 2006 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later, as set forth below:

<u>Calendar Year</u>	<u>Increase from Previous Year</u>
2006	8.0%
2007	8.2%
2008	8.1%
2009	8.0%
2010	7.9%
2011	7.8%
2012	7.7%
2013	7.6%
2014	6.7%
2015	6.0%
2016 and later	5.0%

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Postemployment Retirement Benefits, Continued:

Mortality Rate

The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is the mortality table which the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans.

Investment Return Assumption (Discount Rate) and Inflation Rate

GASB Statement Number 45 states that the investment return assumption should be the estimated long-term investment yield on investments that are expected to be used to finance the payment of benefits. Since it is anticipated that the annual required contribution will be funded, a 4% annual investment return is assumed in the actuarial valuation. This is a conservative estimate of the expected long-term return of a balanced and conservative investment portfolio. An explicit rate of inflation is not included in either the investment return or the healthcare cost trend, but, rather, is implicitly included and is presumed to be the same for each.

Amortization Method and Period

The level dollar closed amortization method has been used. An amortization period of 30 years has been used for the medical benefits and 10 years for the life insurance benefits. The valuation used the closed group method, under which future entrants are not considered.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 12 - Changes in Noncurrent Liabilities:

The following is a summary of changes in noncurrent liabilities for the years ended December 31, 2008, and 2007:

	<u>2008</u>			<u>2007</u>		
	<u>Compensated Absences</u>	<u>Other Liabilities</u>	<u>Total</u>	<u>Compensated Absences</u>	<u>Other Liabilities</u>	<u>Total</u>
Beginning of year	\$ 55,459	\$ 1,300	\$ 56,760	\$ 50,449	\$ 269	\$ 50,718
Additions	18,414	64,740	83,154	55,460	1,300	56,760
Retirement	(55,459)	(1,300)	(56,760)	(50,450)	(269)	(50,719)
End of year	<u>\$ 18,414</u>	<u>\$64,740</u>	<u>\$ 83,154</u>	<u>\$55,459</u>	<u>\$1,300</u>	<u>\$56,759</u>

Of the total noncurrent liabilities of \$83,154 and \$56,759 at December 31, 2008 and 2007, \$-0- are due within one year of December 31, 2008 and 2007.

NOTE 13 - Contingencies:

The Judicial Expense Fund is named in various suits. It is counsel's opinion at December 31, 2008 and June 12, 2009, of outcomes favorable to the **Judicial Expense Fund**.

NOTE 14 - Payments to the Clerk of Civil District Court Operational Fund:

Act 621 passed by the Legislature and signed by the Governor of the State of Louisiana on June 23, 2006 required the deposit of no less than sixty-percent of the filing fees collected pursuant to Louisiana revised statute 13:1213.1 in the Clerk's operational fund.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 15 - Adjustments to Beginning Net Assets:

As a result of changes in the number of employees and the effect of Medicare Supplement, the most recent actuarial report, reflects a significant decrease in the prior estimated post-employment benefit cost to **the Judicial Expense Fund**. The adjustments to net assets at December 31, 2007 reflect the effect of the change. See NOTE 11 for additional discussion.

NOTE 16 - Subsequent Events:

Pursuant to the requirements of Act 621 of 2006, the Recorder of Mortgages and, Registrar of Conveyances are abolished as of January 1, 2009. After that date, duties are assumed by the Clerk of the Civil District Court.

For the years ended December 31, 2008 and 2007, the Recorder of Mortgages and Registrar of Conveyances accounted for thirty-nine (39) and forty-two (42) percentage respectively, of **the Judicial Expense Fund's** charges for services.

The Judges En Banc continues to explore ways to enhance revenues and also contain associated costs of operating **the Judicial Expense Fund**.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008**

REVENUES	<u>Civil District Court</u>	<u>First City Court</u>	<u>Second City Court</u>	<u>Recorder of Mortgages</u>	<u>Register of Conveyances</u>	<u>Total</u>
Filing fees	\$6,686,698	\$1,080,630	\$155,914	\$2,733,220	\$2,430,353	\$13,086,815
Remote access fees	29,671	11,994	1,710	30,275	26,955	100,605
Interest income	296,519	21,885	3,127	55,356	49,287	426,174
Grants	40,155	-0-	-0-	-0-	-0-	40,155
Other income	<u>334,662</u>	<u>76,661</u>	<u>5,362</u>	<u>84,189</u>	<u>77,585</u>	<u>578,459</u>
Total revenues	<u>7,387,705</u>	<u>1,191,170</u>	<u>166,113</u>	<u>2,903,040</u>	<u>2,584,180</u>	<u>14,232,208</u>
DIRECT EXPENSES						
Salaries	3,379,654	1,418,295	326,846	1,223,761	975,880	7,324,436
Employee benefits	1,360,785	436,062	147,948	349,908	350,002	2,644,705
Court reporters and interpreters	51,358	3,940	66	-0-	-0-	55,364
Juror meals and transportation	58,182	-0-	-0-	-0-	-0-	58,182
UCC filing fees	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>39,749</u>	<u>-0-</u>	<u>39,749</u>
Total direct expenses	<u>4,849,979</u>	<u>1,858,297</u>	<u>474,860</u>	<u>1,613,418</u>	<u>1,325,882</u>	<u>10,122,436</u>

See Independent Auditors' Report on Supplementary Information.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Civil District Court</u>	<u>First City Court</u>	<u>Second City Court</u>	<u>Recorder of Mortgages</u>	<u>Register of Conveyances</u>	<u>Total</u>
INDIRECT EXPENSES						
Books, printing and copying	\$ 131,671	\$ 33,236	\$ 11,613	\$ 64,985	\$ 21,791	\$ 263,296
Building and personnel security	41,924	16,912	2,416	42,777	38,087	142,116
Communication	139,469	26,741	9,748	28,641	23,700	228,299
Depreciation	97,835	39,466	5,638	99,825	88,880	331,644
Facilities	75,909	36,018	1,835	33,888	11,701	159,351
Furniture, equipment and maintenance	83,957	30,820	6,754	34,834	23,502	179,867
Insurance	67,018	23,490	4,129	48,722	43,256	186,615
Office supplies and expenses	56,240	17,878	4,060	36,228	21,560	135,966
Postage and couriers	28,830	7,470	1,679	7,464	6,646	52,089
Professional education and dues	102,493	26,733	742	14,006	3,483	147,457
Professional services	47,028	18,279	5,468	35,396	31,030	137,201
Other expenses	35,400	3,452	21	16,227	9,647	64,747
Clerk's Salary Fund Expense	<u>4,006,445</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>4,006,445</u>
Total indirect expenses	<u>4,914,219</u>	<u>280,495</u>	<u>54,103</u>	<u>462,993</u>	<u>323,283</u>	<u>6,035,093</u>
Total expenses	<u>9,764,198</u>	<u>2,138,792</u>	<u>528,963</u>	<u>2,076,411</u>	<u>1,649,165</u>	<u>16,157,529</u>
Excess revenues over (under) expenses	<u>\$(2,376,493)</u>	<u>\$(947,622)</u>	<u>\$(362,850)</u>	<u>\$ 826,629</u>	<u>\$ 935,015</u>	<u>\$(1,925,321)</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE II
Page 1 of 2

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2007**

REVENUES	Civil District Court	First City Court	Second City Court	Recorder of Mortgages	Register of Conveyances	Total
Filing fees	\$7,904,940	\$ 935,749	\$112,494	\$3,509,314	\$3,097,836	\$15,560,333
Remote access fees	90,953	9,991	1,206	37,348	32,902	172,400
Interest income	733,505	18,733	2,261	69,764	61,690	885,953
Grants	46,413	-0-	-0-	-0-	-0-	46,413
Other income	<u>62,661</u>	<u>(252)</u>	<u>2</u>	<u>1,448</u>	<u>758</u>	<u>64,610</u>
Total revenues	<u>8,838,472</u>	<u>964,214</u>	<u>115,963</u>	<u>3,617,874</u>	<u>3,193,186</u>	<u>16,729,709</u>
DIRECT EXPENSES						
Salaries	4,411,601	1,375,210	302,156	1,218,703	797,906	8,105,576
Employee benefits	1,427,516	431,826	149,687	335,418	292,920	2,637,367
Court reporters and interpreters	15,012	1,193	197	-0-	-0-	16,402
Juror meals and transportation	40,639	-0-	-0-	-0-	-0-	40,639
UCC filing fees	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>39,377</u>	<u>-0-</u>	<u>39,377</u>
Total direct expenses	<u>5,894,768</u>	<u>1,808,229</u>	<u>452,040</u>	<u>1,593,498</u>	<u>1,090,826</u>	<u>10,839,361</u>

See Independent Auditors' Report on Supplementary Information.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2007

INDIRECT EXPENSES	Civil District Court	First City Court	Second City Court	Recorder of Mortgages	Register of Conveyances	Total
Books, printing and copying	\$ 183,914	\$ 43,054	\$ 9,757	\$ 63,398	\$ 8,103	\$ 308,226
Building and personnel security	56,267	6,110	737	22,756	20,122	105,992
Communication	143,872	24,408	10,112	30,215	25,168	233,775
Depreciation	197,691	22,956	3,485	79,504	66,242	369,878
Facilities	201,227	29,133	3,151	46,255	17,971	297,737
Furniture, equipment and maintenance	136,626	12,256	4,193	39,172	19,464	211,711
Insurance	72,114	10,073	4,099	21,703	19,067	127,056
Office supplies and expenses	93,952	12,166	3,092	33,303	14,797	157,310
Postage and couriers	27,589	6,575	1,301	3,626	3,206	42,297
Professional education and dues	101,922	21,394	2,460	6,374	6,006	138,156
Professional services	163,792	9,756	4,134	19,572	17,307	214,561
Other expenses	14,493	10,991	60	6,343	2,633	34,520
Clerk's salary fund expense	3,167,916	-0-	-0-	-0-	-0-	3,167,916
Total indirect expenses	<u>4,561,375</u>	<u>208,872</u>	<u>46,581</u>	<u>372,221</u>	<u>220,086</u>	<u>5,409,135</u>
Total expenses	<u>10,456,143</u>	<u>2,017,101</u>	<u>498,621</u>	<u>1,965,719</u>	<u>1,310,912</u>	<u>16,248,496</u>
Excess revenues over (under) expenses	<u>\$ (1,617,671)</u>	<u>\$ (1,052,887)</u>	<u>\$ (382,658)</u>	<u>\$ 1,652,155</u>	<u>\$ 1,882,274</u>	<u>\$ 481,213</u>

See Independent Auditors' Report on Supplementary Information.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETED AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007
(UNAUDITED)

-----2008-----

REVENUES

	-----BUDGETED-----			VARIANCES (FAVORABLE) UNFAVORABLE
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Filing fees	\$14,131,334	\$14,131,334	\$13,086,815	\$ 1,044,519
Remote access fees	200,000	100,000	100,605	(605)
Interest revenue	956,249	478,125	426,174	51,951
Other revenue	<u>98,821</u>	<u>98,821</u>	<u>618,614</u>	<u>(519,793)</u>
Total revenues	<u>15,386,404</u>	<u>14,808,280</u>	<u>14,232,208</u>	<u>576,072</u>

DIRECT EXPENDITURES

Salaries	7,056,107	7,056,107	7,324,436	268,329
Employee benefits	3,374,689	3,374,689	2,367,253	(1,007,436)
Court reporters and interpreters	17,243	17,243	55,364	38,121
Juror meals and transportation	42,000	42,000	58,183	16,183
UCC filing fees	<u>38,851</u>	<u>38,851</u>	<u>39,749</u>	<u>898</u>
Total direct expenditures	<u>10,528,890</u>	<u>10,528,890</u>	<u>9,844,985</u>	<u>(683,905)</u>

See Independent Auditors' Report on Supplementary Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETED AND ACTUAL
(NON-GAAP BUDGETARY BASIS), CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007
(UNAUDITED)**

-----2008-----

INDIRECT EXPENDITURES

	-----BUDGETED-----			VARIANCES (FAVORABLE) UNFAVORABLE
	ORIGINAL	FINAL	ACTUAL	
Books, printing and copying	\$ 224,731	\$ 224,731	\$ 263,296	\$ 38,565
Building and personnel security	136,103	136,103	142,116	6,013
Capital expenditures	260,000	260,000	180,831	(79,169)
Communication	219,967	219,967	228,299	8,332
Facilities	622,387	622,387	159,351	(463,036)
Furniture, equipment and maintenance	214,784	214,784	179,867	(34,917)
Insurance	184,748	184,748	188,615	3,867
Office supplies and expenditures	156,865	156,865	135,966	(20,899)
Postage and couriers	70,764	70,764	52,090	(18,674)
Professional education and dues	165,458	165,458	147,457	(18,001)
Professional services	164,321	164,321	137,201	(27,120)
Other expenditures	20,199	20,199	64,745	44,546
Clerk's salary fund expense	<u>3,887,118</u>	<u>3,887,118</u>	<u>4,006,445</u>	<u>119,327</u>
Total indirect expenditures	<u>6,327,445</u>	<u>6,327,445</u>	<u>5,886,279</u>	<u>(441,166)</u>
Total expenditures	<u>16,856,335</u>	<u>16,856,335</u>	<u>15,731,264</u>	<u>(1,125,071)</u>
Excess (deficiency) of revenues over expenditures	(1,469,931)	(2,048,055)	(1,499,056)	\$ <u>548,999</u>
Fund balance, beginning of year	<u>7,564,000</u>	<u>7,564,000</u>	<u>7,564,000</u>	
Fund balance, end of year	<u>\$ 6,094,069</u>	<u>\$ 5,515,945</u>	<u>\$ 6,064,944</u>	

See Independent Auditors' Report on Supplementary Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETED AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007
(UNAUDITED)**

-----2007-----

REVENUES

	<u>-----BUDGETED-----</u>			<u>VARIANCES</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(FAVORABLE)</u>
				<u>UNFAVORABLE</u>
Filing fees	\$ 8,798,000	\$14,206,000	\$15,564,094	\$(1,358,094)
Remote access fees	114,000	201,650	168,640	33,010
Interest revenue	312,000	960,000	885,954	74,046
Other revenue	<u>2,542,913</u>	<u>103,000</u>	<u>111,021</u>	<u>(8,021)</u>
Total revenues	<u>11,766,913</u>	<u>15,470,650</u>	<u>16,729,709</u>	<u>(1,259,059)</u>

DIRECT EXPENDITURES

Salaries	6,556,000	8,088,500	8,105,576	17,076
Employee benefits	2,193,656	3,324,729	2,570,792	(753,937)
Court reporters and interpreters	24,400	17,600	16,402	(1,198)
Juror meals and transportation	24,608	20,300	40,639	20,339
UCC filing fees	<u>40,000</u>	<u>35,000</u>	<u>39,377</u>	<u>4,377</u>
Total direct expenditures	<u>8,838,664</u>	<u>11,486,129</u>	<u>10,772,786</u>	<u>(713,343)</u>

See Independent Auditors' Report on Supplementary Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETED AND ACTUAL
(NON-GAAP BUDGETARY BASIS), CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007
(UNAUDITED)**

2007

	<u>BUDGETED</u>		<u>ACTUAL</u>	<u>VARIANCES (FAVORABLE) UNFAVORABLE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Books, printing and copying	\$ 188,254	\$ 282,000	\$ 308,226	\$ 26,226
Building and personnel security	12,300	113,700	105,992	(7,708)
Capital expenditures	-0-	-0-	33,385	33,385
Communication	221,792	208,320	233,775	25,455
Facilities	177,200	250,600	297,737	47,137
Furniture, equipment and maintenance	132,590	685,900	211,711	(474,189)
Insurance	114,100	126,365	127,056	691
Office supplies and expenditures	113,440	155,000	157,310	2,310
Postage and couriers	32,715	44,200	42,297	(1,903)
Professional education and dues	136,797	94,500	138,156	43,656
Professional services	224,729	159,750	214,561	54,811
Other expenditures	480,934	28,200	34,520	6,320
Clerk's salary fund expense	<u>2,607,174</u>	<u>2,600,000</u>	<u>3,167,916</u>	<u>567,916</u>
Total indirect expenditures	<u>4,555,025</u>	<u>4,748,535</u>	<u>5,072,642</u>	<u>324,107</u>
Total expenditures	<u>13,393,689</u>	<u>16,234,664</u>	<u>15,845,428</u>	<u>(389,236)</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	(1,626,776)	(764,014)	884,281	1,648,295
Other financing sources (uses)	<u>1,650,000</u>	<u>764,014</u>	<u>-0-</u>	<u>(764,014)</u>
Net Excess (deficiency) of revenues and other financing sources (uses) over expenditures	23,224	-0-	884,281	<u>\$ 884,281</u>
Fund balance, beginning of year	<u>6,679,719</u>	<u>6,679,719</u>	<u>6,679,719</u>	
Fund balance, end of year	<u>\$ 6,702,943</u>	<u>\$ 6,679,719</u>	<u>\$ 7,564,000</u>	

See Independent Auditors' Report on Supplementary Information.

SCHEDULE IV

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF BUDGETARY TO GAAP RECONCILIATION
FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007
(UNAUDITED)**

The Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgeted and Actual presents comparison of the **Judicial Expense Fund's** legally adopted original budget and final (non-GAAP basis) with actual data on a budgetary basis. The accounting principles applied by the **Judicial Expense Fund** for the purposes of developing data for its budget differs from those used to present the basic financial statements (GAAP Basis).

A reconciliation of the previously described basis follows:

	<u>2008</u>	<u>2007</u>
Excess of revenues and other financing sources (uses) over expenditures (budgetary basis)	\$(1,499,056)	\$ 884,281
Adjustments:		
Capital additions, net of depreciation	(86,073)	(336,493)
Compensated absences	37,046	(6,043)
Postemployment benefits	(313,797)	(60,532)
Long-term lease obligation	(64,742)	-0-
Atkins escrow	<u>1,301</u>	<u>-0-</u>
Change in net assets	<u>\$(1,925,321)</u>	<u>\$ 481,213</u>

See Independent Auditors' Report on Supplementary Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO BUDGETARY DATA INFORMATION**

Preparation of the budget begins in the Fiscal Administration office of the Judicial Administrator. The Chief Accountant compiles actual historical financial information for the completed year(s) for each of the eleven departments comprising the **Judicial Expense Fund**. The Chief Judge writes a letter to the five parochial officials presenting this compiled information and asking for their input for an upcoming budget within four weeks.

The Chief Accountant and Judicial Administrator then prepare budgets for the remaining eight departments, as well as the budget for the **Judicial Expense Fund** as a whole.

In accordance with the **Judicial Expense Fund** and Performance Accountability Act of 1999, each year the Judges *En Banc* submit their strategic plan to improve performance to the Louisiana Supreme Court. The **Judicial Expense Fund** has actively participated in the Strategic Plan of the Trial Courts since 2000, and aspects of this plan are incorporated into the budget.

Upon completion, the entity-wide budget is presented to the Finance Committee of the Judges *En Banc*, for their review. Once the Finance Committee approves both an operating budget and capital expenditure budget they present their recommendation to the Judges *En Banc*. According to section LSA-R.S.39:1309 the budget is adopted at an open meeting during which the public is invited to comment.

The Fiscal Administration office monitors revenues and controls expenditures according to section 1311. If it becomes necessary to amend the budget, the Chief Accountant and the Judicial Administrator will prepare an amended budget and present it to the Finance Committee for approval. The Finance Committee will recommend an amended budget to the Judges *En Banc*, who will formally adopt the amended budget at an open meeting according to section LSA-R.S.39:1310.

STATISTICAL SECTION



JUDICIAL EXPENSE FUND

EXHIBIT A

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NET ASSETS
LAST EIGHT FISCAL YEARS**

<u>YEAR</u>	<u>INVESTED IN CAPITAL ASSETS</u>	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTAL NET ASSETS</u>
2001	\$ 400,452	\$6,500,663	\$-0-	\$6,901,115
2002	1,019,431	5,975,843	-0-	6,995,274
2003	970,548	5,938,830	-0-	6,909,378
2004	890,203	7,367,743	-0-	8,257,946
2005	1,087,616	5,057,901	-0-	6,145,517
2006	1,137,537	6,378,429	-0-	7,515,966
2007	801,044	7,196,135	-0-	7,997,179
2008	714,970	5,356,889	-0-	6,071,859

Full accrual basis of accounting
Invested in Capital Assets are net of related debt
GASB 34 was implemented in 2001

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
CHANGE IN NET ASSETS
LAST SEVEN FISCAL YEARS**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses							
Civil District Court	\$ 9,696,449	\$10,148,615	\$ 9,600,111	\$ 9,044,879	\$9,406,547	\$10,456,143	\$ 9,793,544
First City Court	2,457,749	2,402,188	2,406,050	2,394,747	1,926,615	2,017,101	2,135,339
Second City Court	479,180	522,841	527,016	499,699	408,912	498,623	528,942
Recorder of Mortgages	1,908,478	2,016,521	1,980,198	2,221,027	1,986,012	1,965,717	2,060,184
Register of Conveyances	1,346,911	1,395,715	1,472,888	1,777,812	1,176,083	1,310,912	1,639,520
Total expenses	15,888,767	16,485,880	15,986,263	15,938,164	14,904,169	16,248,496	16,157,529
Program Revenues: Charges of Services							
Civil District Court	8,386,991	8,353,628	9,644,040	6,894,879	7,855,956	7,995,893	6,716,369
First City Court	2,151,160	2,053,891	2,180,858	1,627,451	975,486	945,740	1,092,624
Second City Court	192,976	200,144	192,916	169,181	119,734	113,700	157,624
Recorder of Mortgages	3,482,960	4,098,939	4,112,471	2,989,505	3,045,910	3,546,662	2,763,494
Register of Conveyances	1,293,788	1,462,205	1,658,526	1,244,321	1,279,272	3,130,738	2,457,309
	15,507,875	16,168,807	17,788,811	12,925,337	13,276,358	15,732,733	13,187,420
Program Revenues: Operating Grants							
Civil District Court	-0-	30,050	39,557	130,663	80,244	46,413	40,155
First City Court	-0-	-0-	-0-	14,652	-0-	-0-	-0-
Second City Court	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Recorder of Mortgages	-0-	-0-	-0-	21,540	196,833	-0-	-0-
Register of Conveyances	-0-	-0-	-0-	21,540	125,838	-0-	-0-
Total program revenues	15,507,875	16,198,857	17,828,368	13,113,732	13,679,273	15,779,146	13,227,575

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
CHANGE IN NET ASSETS
LAST SEVEN FISCAL YEARS**

	2002	2003	2004	2005	2006	2007	2008
Net Revenues (Expenses)							
Civil District Court	\$(1,309,458)	\$(1,764,937)	\$ 83,486	\$(2,019,337)	\$(1,470,347)	\$(2,413,837)	\$(3,037,020)
First City Court	(306,589)	(348,297)	(225,192)	(752,644)	(951,129)	(1,071,361)	(1,042,715)
Second City Court	(286,204)	(322,697)	(334,100)	(330,518)	(289,178)	(384,923)	(371,318)
Recorder of Mortgages	1,574,482	2,082,418	2,132,273	790,018	1,256,731	1,580,945	703,310
Register of Conveyances	(53,123)	66,490	185,638	(511,951)	229,027	1,819,826	817,789
Total net revenues (expenses)	<u>(380,892)</u>	<u>(287,023)</u>	<u>1,842,105</u>	<u>(2,824,432)</u>	<u>(1,224,896)</u>	<u>(469,350)</u>	<u>(2,929,954)</u>
General Revenues							
Interest	256,016	194,713	272,244	676,073	959,191	885,953	426,174
Other	12,860	6,414	5,730	807,441	93,132	64,610	578,459
Total general revenues	<u>268,876</u>	<u>201,127</u>	<u>277,974</u>	<u>1,483,514</u>	<u>1,052,323</u>	<u>950,563</u>	<u>1,004,633</u>
Change in net assets	<u>\$ (112,016)</u>	<u>\$ (85,896)</u>	<u>\$2,120,079</u>	<u>\$(1,340,918)</u>	<u>\$ (172,573)</u>	<u>\$ 481,213</u>	<u>\$(1,925,321)</u>

Full accrual basis of accounting
GASB 34 was implemented in 2001

See Independent Auditors' Report on Statistical Information.

EXHIBIT C

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
GOVERNMENTAL FUND BALANCE
LAST TEN FISCAL YEARS**

<u>YEAR</u>	<u>RESERVED FUND BALANCE</u>	<u>UNRESERVED FUND BALANCE</u>
1999	\$-0-	\$4,701,121
2000	-0-	6,273,727
2001	-0-	6,747,012
2002	-0-	6,032,363
2003	-0-	5,994,547
2004	-0-	7,416,933
2005	-0-	6,815,998
2006	-0-	6,697,551
2007	-0-	7,564,000
2008	-0-	6,064,944

Modified accrual basis

See Independent Auditors' Report on Statistical Information.

EXHIBIT D

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
CHANGES IN GOVERNMENTAL FUND BALANCE
LAST TEN FISCAL YEARS**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Filing fees	\$14,334,911	\$14,722,820	\$14,964,684	\$15,455,440	\$16,120,382	\$17,716,511	\$12,841,037	\$13,276,359	\$15,732,733	\$13,086,815
Interest	446,166	668,569	475,638	256,016	194,713	272,244	676,073	959,191	885,954	426,174
Grants	-0-	-0-	-0-	-0-	-0-	-0-	188,396	402,915	46,412	40,155
Other	285,046	381,103	37,262	65,295	84,882	117,587	891,741	93,132	64,610	679,064
Total revenues	15,066,123	15,772,492	15,477,584	15,776,751	16,399,984	18,106,342	14,597,247	14,731,597	16,729,709	14,232,208
Expenditures										
Civil District Court	8,175,500	8,643,838	9,219,855	10,012,193	10,108,088	9,097,808	8,620,498	9,356,571	10,265,012	9,608,056
First City Court	2,025,964	2,239,086	2,248,376	2,567,342	2,389,308	2,313,351	2,305,670	1,900,722	1,983,147	2,063,930
Second City Court	432,152	411,090	441,541	490,878	520,046	506,989	468,485	433,395	490,189	523,851
Recorder of Mortgages	1,616,353	1,621,870	1,738,581	2,024,759	2,021,730	1,875,218	2,139,172	2,042,946	1,878,720	1,996,888
Register of Conveyances	1,259,835	1,284,002	1,355,946	1,396,228	1,398,628	1,347,567	1,647,083	1,116,409	1,228,360	1,538,539
Total expenditures	13,509,804	14,199,886	15,004,299	16,491,400	16,437,800	15,140,933	15,180,908	14,850,043	15,845,428	15,731,264
Increase (decrease) in fund balance	\$ 1,556,319	\$ 1,572,606	\$ 473,285	\$ (714,649)	\$ (37,816)	\$ 2,965,409	\$ (583,661)	\$ (118,446)	\$ 884,281	\$ (1,499,056)

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
REVENUE RATES AND BASE
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Function</u>	<u>Year</u>	<u>New Suits Filed</u>	<u>Filing Fees Revenue</u>	<u>Average Revenue Per New Suit</u>	<u>Average Cost Per New Suit</u>
Civil District Court	1999	21,341	\$7,348,701	344	383
	2000	20,365	8,050,486	395	424
	2001	21,587	8,148,254	377	427
	2002	20,257	8,358,140	413	494
	2003	19,149	8,328,592	435	528
	2004	18,763	9,605,853	512	534
	2005	13,821	6,849,947	497	688
	2006	14,174	6,253,813	441	685
	2007	16,106	7,904,940	491	649
	2008	13,954	6,796,342	487	682
First City Court	1999	19,625	2,318,512	118	103
	2000	19,573	2,228,845	114	114
	2001	19,752	2,210,689	112	114
	2002	18,804	2,143,334	114	137
	2003	16,725	2,047,741	122	143
	2004	15,236	2,171,965	143	162
	2005	12,397	1,616,829	130	199
	2006	6,195	966,193	156	323
	2007	5,879	935,749	159	343
	2008	6,612	1,092,624	165	312
Second City Court	1999	2,095	188,247	90	206
	2000	2,511	199,745	80	164
	2001	2,671	210,237	79	165
	2002	2,372	192,777	81	207
	2003	2,078	199,121	108	310
	2004	1,774	192,121	108	310
	2005	1,778	168,085	95	293
	2006	1,248	118,588	95	345
	2007	1,231	112,494	91	405
	2008	1,653	157,624	95	317

Filing fees are paid by litigants to the suites.

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
REVENUE RATES AND BASE
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Function</u>	<u>Year</u>	<u>New Suits Filed</u>	<u>Filing Fees Revenue</u>	<u>Average Revenue Per New Suit</u>	<u>Average Cost Per New Suit</u>
Recorder of Mortgages	1999	58,037	\$3,183,661	55	28
	2000	55,286	2,967,080	54	29
	2001	55,508	3,184,732	57	31
	2002	62,277	3,471,687	56	33
	2003	59,611	4,086,639	69	34
	2004	52,567	4,095,770	78	39
	2005	39,648	2,970,032	75	58
	2006	42,615	3,016,758	71	47
	2007	42,422	3,509,314	83	46
	2008	39,870	2,763,494	69	50
Register of Conveyances	1999	20,062	1,295,790	65	63
	2000	19,476	1,276,664	66	66
	2001	19,097	1,210,772	63	71
	2002	21,553	1,289,502	60	65
	2003	23,086	1,457,847	63	61
	2004	39,382	1,651,802	42	40
	2005	18,234	1,236,144	68	104
	2006	19,501	1,266,924	63	60
	2007	48,867	3,097,837	65	27
	2008	50,342	2,457,309	49	31

See Independent Auditors' Report on Statistical Information.

EXHIBIT F

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
DEMOGRAPHIC AND ECONOMIC INDICATORS
ORLEANS PARISH
LAST TEN YEARS
(UNAUDITED)**

<u>Year</u>	<u>Population</u>	<u>Total Personal Income</u>	<u>Per Capital Personal Income</u>	<u>Unemployment Rate</u>
1999	485,511	\$12,140,253	\$25,005	5.1%
2000	483,667	12,689,000	26,235	5.4%
2001	478,427	13,313,564	27,828	5.8%
2002	473,089	13,766,830	29,100	6.2%
2003	467,934	14,109,070	30,152	6.5%
2004	458,393	14,031,868	30,611	5.5%
2005	452,170	9,138,355	20,210	6.2%
2006	239,115	9,168,386	38,343	4.0%
2007	288,113	15,394,618	53,433	4.5%
2008	305,540	Not Available	Not Available	7.3%

Source for unemployment rates: Louisiana Department of Labor

Source for all other statistics: Bureau of Economic Analysis, U.S. Department of Commerce

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
PRINCIPAL EMPLOYERS IN ORLEANS PARISH
2008, 2007, 2004 AND 1995
(UNAUDITED)**

<u>YEAR</u>	<u>TOTAL EMPLOYMENT</u>	<u>PRINCIPAL EMPLOYERS (Largest to Smallest)</u>	<u>NUMBER OF EMPLOYEES</u>
1995	986,900	Orleans Parish School Board City of New Orleans Tulane University The Medical Center of Louisiana LSU Medical Center New Orleans (self support) United States Postal Service Martin-Marietta Corporation Mercy+Baptist Medical Center LSU Medical Center New Orleans (general support) Tulane Medical Center Hospital Clinic	1,000 or more 1,000 or more 1,000 or more 1,000 or more 1,000 or more 1,000 or more 1,000 or more 1,000 or more 1,000 or more 1,000 or more
2004	251,498	LSU Health Tulane University LSU Medical Center of Louisiana Medical Center of Louisiana University Hospital United States Postal Service University of New Orleans Memorial Medical Center Lockheed Martin Michoud Operations New Orleans Police Department	5,000 - 9,999 5,000- 9 999 5,000 - 9,999 5,000 - 9,999 5,000 - 9,999 1,000 - 4,999 1,000 - 4,999 1,000 - 4,999 1,000 - 4,999 1,000 - 4,999

Source: Louisiana Department of Labor

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
PRINCIPAL EMPLOYERS IN ORLEANS PARISH
2008, 2007, 2004 AND 1995
(UNAUDITED)**

<u>YEAR</u>	<u>TOTAL EMPLOYMENT</u>	<u>PRINCIPAL EMPLOYERS (Largest to Smallest)</u>	<u>NUMBER OF EMPLOYEES</u>
2007	99,144	LSU Medical Center University Hospital Tulane University Harrah's New Orleans Casino United States Postal Service JCC Holding Co II, LLC East Jefferson Hospital	5,000 - 9,999 5,000 - 9,999 5,000 - 9,999 5,000 - 9,999 1,000 - 4,999 1,000 - 4,999 1,000 - 4,999
2008	Not available		

Source: Louisiana Department of Labor

See Independent Auditors' Report on Statistical Information.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NUMBER OF EMPLOYEES
LAST TEN YEARS
(UNAUDITED)

YEAR	CIVIL DISTRICT COURT	FIRST COURT COURT	SECOND CITY COURT	RECORDER OF MORTGAGES	REGISTER OF CONVEYANCES	ADMINISTRATION	TOTAL
1999	209	59	12	61	48	28	417
2000	233	69	12	57	44	32	447
2001	266	62	14	56	44	22	464
2002	270	68	12	53	43	21	467
2003	256	64	10	53	44	19	446
2004	251	63	15	49	38	16	432
2005	67	18	4	18	14	9	130
2006	116	28	5	28	20	13	210
2007	191	14	8	45	22	15	325
2008	108	42	6	40	23	16	235

In 1998 nine positions were reclassified from Civil District Court to Administration. In 2001 these nine positions, plus one more, were reclassified back to Civil District Court from Administration.

In 2004 Second City Court used 4 part-time employees instead of replacing the one full-time employee who had retired.

NOTE: This table represents the number of employees, those who received a Form W-2, and not the number of positions. For example, if an employee retired in mid-year and was replaced with a newly hired employee, this table counts two employees while there was only one position.

See Independent Auditors' Report on Statistical Information.

EXHIBIT I

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
CIVIL DISTRICT COURT
CASES FILED AND JURY TRIALS
LAST TEN YEARS
(UNAUDITED)**

<u>YEAR</u>	<u>CIVIL CASES FILED</u>	<u>JURY TRIALS</u>
1999	21,341	64
2000	20,365	62
2001	21,587	66
2002	20,257	81
2003	19,149	56
2004	18,763	70
2005	13,821	41
2006	14,174	41
2007	16,106	38
2008	13,954	40

See Independent Auditors' Report on Statistical Information.

EXHIBIT J

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
FIRST AND SECOND CITY COURTS
CASES FILED AND TERMINATED
LAST TEN YEARS
(UNAUDITED)**

<u>COURT</u>	<u>YEAR</u>	<u>CIVIL CASES FILED</u>	<u>CIVIL CASES TERMINATED</u>
First City Court	1999	19,625	13,994
	2000	19,573	13,509
	2001	19,752	14,246
	2002	18,804	14,181
	2003	16,725	12,652
	2004	15,236	11,403
	2005	12,397	8,392
	2006	6,325	5,133
	2007	5,879	3,484
	2008	6,612	5,086
Second City Court	1999	2,056	1,224
	2000	2,511	1,305
	2001	2,671	1,444
	2002	2,372	1,203
	2003	2,078	1,882
	2004	1,774	1,576
	2005	1,778	1,556
	2006	1,428	1,295
	2007	1,231	1,001
	2008	1,653	1,430

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
DOCUMENTS RECORDED AND COMPLETED
LAST TEN YEARS
(UNAUDITED)**

<u>Function</u>	<u>Year</u>	<u>New Instrument Numbers Issued</u>	<u>Mortgage Certificates Completed</u>	<u>Releases Completed</u>
Recorder of Mortgages	1999	58,037	Not available	Not available
	2000	55,286	Not available	Not available
	2001	55,508	Not available	Not available
	2002	62,277	Not available	Not available
	2003	59,611	9,792	37,311
	2004	52,567	8,115	39,749
	2005	39,648	7,372	23,410
	2006	42,615	7,247	Not available
	2007	42,422	7,860	Not available
	2008	39,870	7,383	Not available

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
DOCUMENTS RECORDED AND COMPLETED
LAST TEN YEARS
(UNAUDITED)**

<u>FUNCTION</u>	<u>YEAR</u>	<u>NEW INSTRUMENT NUMBERS ISSUED</u>	<u>CONVEYANCE CERTIFICATES COMPLETED</u>
Register of Conveyances	1999	20,062	Not available
	2000	19,476	Not available
	2001	19,097	Not available
	2002	21,553	Not available
	2003	23,086	7,321
	2004	39,382	6,975
	2005	18,234	5,222
	2006	19,501	5,225
	2007	48,867	5,538
	2008	50,342	Not available

See Independent Auditors' Report on Statistical Information.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
INVESTMENTS IN CAPITAL ASSETS
LAST TEN YEARS

<u>FUNCTION</u>	<u>YEAR</u>	<u>COMPUTER EQUIPMENT</u>	<u>COMPUTER SOFTWARE</u>	<u>OFFICE EQUIPMENT</u>	<u>FURNITURE AND FIXTURE</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>LEASEHOLD IMPROVEMENTS</u>	<u>TOTAL</u>
Civil District Court	1999	\$ 34,487	\$ 32,225	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 66,712
	2000	9,664	-0-	16,850	13,627	-0-	0-	40,141
	2001	12,719	4,984	3,200	22,122	-0-	-0-	43,025
	2002	27,719	4,984	3,200	22,122	-0-	-0-	56,193
	2003	15,050	9,311	-0-	2,849	-0-	-0-	27,210
	2004	7,356	9,840	(10,680)	-0-	-0-	-0-	6,516
	2005	7,019	5,925	10,680	-0-	-0-	-0-	23,624
	2006	14,673	4,461	9,423	-0-	-0-	-0-	28,557
	2007	14,199	10,485	2,074	-0-	-0-	-0-	26,758
	2008	14,500	-0-	6,109	4,825	-0-	-0-	25,434
Total		157,386	82,215	40,856	65,545	-0-	-0-	346,002
# of items		63	13	12	16	-0-	-0-	104

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
INVESTMENTS IN CAPITAL ASSETS
LAST TEN YEARS**

<u>FUNCTION</u>	<u>YEAR</u>	<u>COMPUTER EQUIPMENT</u>	<u>COMPUTER SOFTWARE</u>	<u>OFFICE EQUIPMENT</u>	<u>FURNITURE AND FIXTURE</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>LEASEHOLD IMPROVEMENTS</u>	<u>TOTAL</u>
First City Court	1999	\$ 0-	\$ 0-	\$ 0-	\$ 4,224	\$ 0-	\$ 0-	\$ 4,224
	2000	5,548	0-	8,077	4,527	0-	0-	18,152
	2001	2,000	0-	0-	2,233	0-	0-	4,233
	2002	2,390	21,560	0-	0-	0-	19,685	43,635
	2003	0-	0-	0-	0-	0-	0-	0-
	2004	0-	0-	0-	0-	0-	0-	0-
	2005	3,437	0-	0-	0-	0-	0-	3,437
	2006	1,616	0-	0-	0-	0-	0-	1,616
	2007	0-	0-	0-	0-	0-	0-	0-
	2008	29,339	0-	10,375	0-	0-	0-	39,714
Total		44,330	21,560	18,452	10,984	0-	19,685	115,011
# of items		7	2	1	6	0	1	17

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
INVESTMENTS IN CAPITAL ASSETS
LAST TEN YEARS**

<u>FUNCTION</u>	<u>YEAR</u>	<u>COMPUTER EQUIPMENT</u>	<u>COMPUTER SOFTWARE</u>	<u>OFFICE EQUIPMENT</u>	<u>FURNITURE AND FIXTURE</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>LEASEHOLD IMPROVEMENTS</u>	<u>TOTAL</u>
Second City Court	1999	\$ 9,459	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 9,459
	2000	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2001	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2002	3,988	-0-	-0-	-0-	-0-	-0-	3,988
	2003	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2004	2,033	-0-	1,705	-0-	-0-	-0-	3,738
	2005	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2006	-0-	2,199	-0-	-0-	-0-	-0-	2,199
	2007	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2008	-0-	-0-	5,240	-0-	-0-	-0-	5,240
Total		18,166	2,199	6,945	-0-	-0-	-0-	27,310
# of items		7	1	1	0	0	0	9

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
INVESTMENTS IN CAPITAL ASSETS
LAST TEN YEARS**

<u>FUNCTION</u>	<u>YEAR</u>	<u>COMPUTER EQUIPMENT</u>	<u>COMPUTER SOFTWARE</u>	<u>OFFICE EQUIPMENT</u>	<u>FURNITURE AND FIXTURE</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>LEASEHOLD IMPROVEMENTS</u>	<u>TOTAL</u>
		\$	\$	\$	\$	\$	\$	\$
Recorder of Mortgages	1999	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2000	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2001	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2002	1,800	-0-	-0-	-0-	-0-	-0-	1,800
	2003	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2004	-0-	-0-	1,673	-0-	-0-	-0-	1,673
	2005	7,672	-0-	-0-	(7,240)	-0-	-0-	432
	2006	4,572	-0-	10,567	65,318	-0-	-0-	80,457
	2007	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2008	16,568	-0-	-0-	-0-	-0-	-0-	16,568
Total		30,612	-0-	12,240	58,078	-0-	-0-	100,930
# of items		3	0	3	0	0	0	6

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
INVESTMENTS IN CAPITAL ASSETS
LAST TEN YEARS**

<u>FUNCTION</u>	<u>YEAR</u>	<u>COMPUTER EQUIPMENT</u>	<u>COMPUTER SOFTWARE</u>	<u>OFFICE EQUIPMENT</u>	<u>FURNITURE AND FIXTURE</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>LEASEHOLD IMPROVEMENTS</u>	<u>TOTAL</u>
Register of Conveyances	1999	\$ -0-	\$ -0-	\$ -0-	\$ 2,772	\$-0-	\$ -0-	\$ 2,772
	2000	-0-	-0-	1,545	-0-	-0-	-0-	1,545
	2001	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2002	-0-	-0-	-0-	12,685	-0-	-0-	12,685
	2003	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2004	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2005	9,575	-0-	(1,545)	(15,457)	-0-	-0-	(7,427)
	2006	4,571	-0-	1,571	-0-	-0-	-0-	6,142
	2007	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2008	9,592	-0-	-0-	-0-	-0-	-0-	9,592
Total		<u>23,738</u>	<u>-0-</u>	<u>1,571</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>25,309</u>
# of items		4	0	0	0	0	0	4

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
INVESTMENTS IN CAPITAL ASSETS
LAST TEN YEARS**

FUNCTION	YEAR	COMPUTER EQUIPMENT	COMPUTER SOFTWARE	OFFICE EQUIPMENT	FURNITURE AND FIXTURE	CONSTRUCTION IN PROGRESS	LEASEHOLD IMPROVEMENTS	TOTAL
Administration	1999	\$ 72,790	\$ 20,345	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 193,135
	2000	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2001	36,277	129,069	-0-	-0-	-0-	-0-	165,346
	2002	406,746	259,603	33,653	-0-	25,973	-0-	725,975
	2003	52,049	197,207	-0-	-0-	(25,973)	-0-	223,282
	2004	10,790	218,488	-0-	-0-	-0-	-0-	229,277
	2005	205,636	331,011	-0-	-0-	-0-	-0-	536,647
	2006	57,023	332,688	-0-	-0-	-0-	-0-	389,711
	2007	6,626	-0-	-0-	-0-	-0-	-0-	6,626
	2008	116,727	-0-	32,297	-0-	-0-	-0-	149,024
Total		1,064,664	1,488,411	65,950	-0-	-0-	-0-	2,619,025
# of items	37		10	2	0	0	0	49
Grand total		\$1,388,896	\$1,594,385	\$92,888	\$146,014	\$134,607	\$19,685	\$3,233,587
Total # of items groups	144		26	20	23	0	1	214

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS**

ACKNOWLEDGMENTS

REPORT PREPARED BY

Anne Castjohn	- Chief Accountant
Andrea Johnson	- Staff Accountant

CHIEF JUDGE

Nadine Ramsey	- 2007 - 2008
Lloyd J. Medley, Jr.	- 2009 to present

JUDICIAL ADMINISTRATOR

Traci Dias	- Judicial Administrator (03/01/09 to present)
Elaine W. Spiess	- Acting Judicial Administrator (02/01/08 to 03/01/09)

FINANCIAL REPORTING SECTION

Trina R. Lewis	- Accounts Payable
Dwayne J. Mallet	- Purchasing Agent (2008)
Tymetrius Jones	- Administrative Assistant
Carla Robinson	- Purchasing Agent (2009)



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INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS RELATED TO INTERNAL CONTROL

To the Judges *En Banc*
**Judicial Expense Fund for the
Civil District Court for the Parish of Orleans**
also including First and Second City Courts,
Recorder of Mortgages and Register of Conveyances
for the City of New Orleans
New Orleans, Louisiana

In planning and performing our audit of the financial statements of the **Judicial Expense Fund for the Civil District Court for the Parish of Orleans also including First and Second City Courts, Recorder of Mortgages and Register of Conveyances for the City of New Orleans** (hereinafter collectively referred to as the **Judicial Expense Fund**) as of and for the year ended December 31, 2008, we considered the **Judicial Expense Fund's** internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the **Judicial Expense Fund's** internal control. Accordingly, we do not express an opinion on the effectiveness of the **Judicial Expense Fund's** internal control.

During our audit, we became aware of a matter that provides an opportunity for the **Judicial Expense Fund** to strengthen its internal control and operating efficiency. Also, we discussed with management, the current status of prior year's other matters. We previously reported on the **Judicial Expense Fund's** internal control in our report dated June 12, 2009. This letter does not affect our report dated June 12, 2009 on the financial statements of the **Judicial Expense Fund**.

We will review the status of these matters during our next engagement. We have already discussed these matter with the **Judicial Expense Fund's** personnel, and we will be pleased to discuss these matters in further detail at your convenience.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

Current Year's Other Matter

2008

Our discussion of the current year's other matter follows:

Condition

Our review of the **Judicial Expense Fund's** internal control over financial reporting revealed the following conditions:

- o Journal entries prepared and posted for the month of September 2008 (month judgementally selected for testing) lacked evidence to support the performance of supervisory review and/or approval prior to input into the **Judicial expense Fund's** general ledger;

Also, we noted the lack of supporting documentation to evidence the basis for certain journal entries prepared and posted by staff;

- o Three (3) of twelve (12) deposit transactions selected and reviewed lacked supporting documentation such as the "Payment Type Summary Report" which depicts the summary and detail by "SKU" of the daily cash collections;
- o The current accounting policies and procedural manual used by the **Judicial Expense Fund** does not reflect current practices and/or revised policies;
- o In twenty-one (21) instances of twenty-nine (29) cash disbursements vouched, we noted where invoices bear no evidence to support verification of its mathematical accuracy prior to payment;
- o For three (3) of four (4) personnel files reviewed, we noted the absence of U.S. Department of Justice Immigration Form 1-9 in one instance and incomplete Forms 1-9 (employer verification section) in the remaining two instances. Also, payroll and benefit deduction and pay rate authorizations were not available for our review.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**
(CONTINUED)

Current Year's Other Matter, Continued

2008

Recommendation

We recommend that all journal entries prepared should have the necessary and required supporting documents attached. Also, all journal entries should be reviewed and approved at a level above the preparer prior to input.

The current accounting policies and procedural manual should be updated to accommodate current practices and/or policies. Finally, all required personnel documents authorizing pay rates by management and deductions by respective employees should be filed in the respective personnel file.

Management's Response

Management will review and update current accounting policies and procedures in the following areas to ensure proper documentation and supervision:

- o Journal entries will be reviewed and approved by the Judicial Administrator and supporting documentation will be included and/or referenced as necessary.
- o Deposit transactions which have a "SKU" associated with them will be documented as such. Please note: not all deposits have a "SKU" associated with them.
- o The accounting policies and procedures manual will be reviewed and updated using the LA Legislative Auditors Office templates for guidance.
- o Cash disbursement vouchers will include verification of its mathematical accuracy prior to payment.
- o Personnel files will include all required paperwork. A checklist has been created to be used for all new hires to ensure the files are complete.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**
(CONTINUED)

Status of Prior Year's Other Matters

2007 and Prior

The following summarizes the status of prior year's other matters.

Condition

Our review of **the Judicial Expense Fund's** internal control over financial reporting revealed the following conditions:

- Based on our review of selected journal entries prepared for the months of September and December 2007, we noted that monthly journal entries prepared and posted to the general ledger, were in several instances without the benefit of supporting documents. Also, we noted that review and approval of journal entries prepared beyond the level of the preparer, were in most instances non-existent prior and subsequent to the input of the entries into the general ledger system;
- The current accounting policies and procedural manual used by **the Judicial Expense Fund** staff does not reflect current practices and/or revised policies; and
- Selected personnel files reviewed, lacked certain documents such as pay rates authorization, completed Forms I-9 etc., in the respective files.

Recommendation

We recommend that all journal entries prepared should have the necessary and required supporting document's attached. Also, the entries should be reviewed and approved at a level above the preparer prior to input.

The current accounting policies and procedural manual should be updated to accommodate current practices. Finally, all required personnel documents should be filed in the respective personnel file.

Current Status

Unresolved. See the current year's section of this report.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**
(CONTINUED)

*Status of Prior Year's Other Matters
2007 and Prior, Continued*

Condition

Our review of internal control over financial reporting for the **Judicial Expense Fund** in connection with our audit revealed the following conditions:

- Noted several stale dated checks which have been outstanding over six months at December 31, 2006;
- The accounts receivable - NSF check listing provided to us totaling approximately \$13,900 at December 31, 2006, included returned checks dating as far back as July 2005;
- The current amount charged for estimated post employment benefits pursuant to the requirements of GASB 45, needs to be reviewed for changes to the variables used in the determination of benefit amount;
- Noted several immaterial unreconciled differences between the general ledger control accounts and their related subsidiary ledger accounts; and
- Monthly journal entries prepared in connection with the monthly financial transactions processing lacked supervisory review beyond the preparer's level.

Recommendation

We recommend that management evaluate the previously described conditions with an aim towards resolution.

Current Status

Partially resolved. See the current year's section of this report.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**
(CONTINUED)

The Judicial Expense Fund's response to the other matters identified in our audit is described in the accompanying report on other matters related to internal control under the caption "Management's Response" and "Current Status". We did not audit the Judicial Expense Fund's response and, accordingly, we express no opinion on it.

As always, we appreciate the courtesies extended to us by you and your staff during our audit. Should you have any questions or require further details, please do not hesitate to call.

This report is intended solely for the information of the management of the Judicial Expense Fund, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor for the State of Louisiana as a public document.

Bruno & Tervalon LLP

**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

June 12, 2009

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA**

**REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS**

FOR THE YEAR ENDED DECEMBER 31, 2008

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**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Judicial Expense Fund for the
Civil District Court for the Parish of Orleans
also including First and Second City Courts,
Recorder of Mortgages and Register of Conveyances
for the City of New Orleans
New Orleans, Louisiana**

We have audited the financial statements of **Judicial Expense Fund for the Civil District Court for the Parish of Orleans also including First and Second City Courts, Recorder of Mortgages and Register of Conveyances for the City of New Orleans** (hereinafter collectively referred to as the **Judicial Expense Fund**) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 12, 2009. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the **Judicial Expense Fund's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinions on the effectiveness of the **Judicial Expense Fund's** internal control over financial reporting. Accordingly, we do not express any opinions on the effectiveness of **Judicial Expense Fund's** internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Internal Control Over Financial Reporting, Continued

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the **Judicial Expense Fund's** ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the **Judicial Expense Fund's** financial statements that is more than inconsequential will not be prevented or detected by the **Judicial Expense Fund's** internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the **Judicial Expense Fund's** internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we noted a certain matter involving the internal control over financial reporting which we have reported to management of the **Judicial Expense Fund** in a separate letter dated June 12, 2009.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the **Judicial Expense Fund's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Compliance and Other Matters, Continued

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Summary Schedule of Finding and Response as item 2008-01.

The **Judicial Expense Fund's** response to the finding identified in our audit, where applicable, is described in the accompanying Summary Schedule of Finding and Response under the caption "Management's Response". We did not audit **Judicial Expense Fund's** response and, accordingly, we express no opinion on it.

This report is solely intended for the information and use of the Honorable Judges, the **Judicial Expense Fund's** management, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 12, 2009

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SUMMARY SCHEDULE OF FINDING AND RESPONSE
FOR THE YEAR ENDED DECEMBER 31, 2008**

Section I - Summary of Auditors' Results

Financial Statement

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
o Material weakness(es) identified:	No
o Control deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Noncompliance material to financial statements noted:	No

Federal Awards

Internal control over financial reporting:	
o Material weakness(es) identified:	Not Applicable
o Control deficiency(ies) identified that are not considered to be material weakness(es)?	
Type of auditor's report issued on compliance for major programs.	Not Applicable
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Not Applicable

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008**

Section I - Summary of Auditors' Results, Continued

Federal Awards, Continued

Identified of Major Programs:	Not Applicable
-------------------------------	----------------

Dollar threshold used to distinguish between type A and B programs	Not Applicable
---	----------------

Auditee qualified as low risk auditee?	Not Applicable
--	----------------

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008**

Section II - Financial Statement Finding and Response

Reference Number

2008-01

Criteria

Louisiana Revised Statute 24:513 requires the submission of audited financial statement within six month of year end or within an approved extension request.

Condition

The audited financial statements for the December 31, 2008 was submitted within ninety (90) days of the **Judicial Expense Fund's** approved extension request.

Cause

The timely completion of the **Judicial Expense Fund's** audit continues to be impacted by the timing in receipt of other audited reports prepared by other auditors.

Recommendation

The **Judicial Expense Fund** should continue in its dialogue with all parties involved to facilitate the timely receipt of all necessary reports to inclusion in the **Judicial Expense Fund's** audited financial statements.

Management's Response

Management of the **Judicial Expense Fund** continues to work with all parties concerned in an effort to ensure the timely submission of its audited financial statements.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008**

Section III - Federal Award Findings and Questioned Costs

No federal award findings and questioned costs were reported for the year ended December 31, 2008.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008**

**Section IV - Status of Prior Year's Findings and Responses
2007 and Prior**

None reported for the year ended December 31, 2008.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS**

EXIT CONFERENCE

An exit conference was held with representatives of the **Judicial Expense Fund**. The contents of this report were discussed and management is in agreement. Those persons who participated in this and previous discussions are as follows:

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS**

Judge Lloyd J. Medley, Jr.	-- Chief Judge
Judge Kern A. Reese	-- Chairperson Finance Committee
Traci Dias	-- Judicial Administrator
Andrea Johnson	-- Staff Accountant
Anne Castjohn	-- Chief Accountant

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Paul K. Andoh, Sr., CPA, MBA, CGFM	-- Partner
Ivionne Divinity	-- Staff Accountant